

IDAHO EMPLOYMENT

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State Overview

IDAHO'S UNEMPLOYMENT RATE DECREASED TO 5.2 PERCENT

The seasonally adjusted unemployment rate for May 2003 was 5.2 percent, down four-tenths of a percentage point from April. The current unemployment rate also was four-tenths of a percentage point below May 2002. Idaho's unemployment rate for May continued to be below the national rate of 6.1 percent, which was up one-tenth of a percentage point from April.

Idaho's seasonally adjusted *Civilian Labor Force* decreased in May for the second consecutive month. Following the large decrease in the number of people employed in April, that number increased by 1,600 to 656,300 in May. The number of unemployed persons decreased by 2,900 to 35,900. This movement resulted in a *Civilian Labor Force* of 692,200 in May, down 1,300 from April 2003. This 0.2 percent decrease in the labor force indicates that, although many individuals found jobs in May, other individuals might have become discouraged and left the labor force.

The changes from May 2002 show that Idaho's labor force had increased 9,900 persons, or 1.3 percent. From one year ago, the number of persons employed increased 11,100 and the number of persons unemployed decreased 2,500.

The May decrease in Idaho's unemployment rate was encouraging economic news in light of the nearly 2,900 announced layoffs since January. However, the decrease was not unusual. Since 1990 the seasonally adjusted unemployment rate between April and May has decreased five times, increased twice, and remained unchanged seven times. Comparing April to May 2003, the unemployment rate dropped in 35 of Idaho's 44 counties, remained unchanged in two, and increased in seven. Although the labor force decreased and a drop in the unemployment rate occurred virtually across the state, this could be an indication that Idaho's employment situation might have turned a corner and is slowly improving. It will take several more months to see if an upward trend in job growth is occurring or if May's numbers were just a blip.

A regression model using data from both the state and federal government calculates the labor force data. The data that the state of Idaho provided for the May calculation indicated that the number of persons filing for unemployment insurance benefits, a major component in determining the number unemployed, decreased from the previous month. However, the components from the U.S. Bureau of Labor Statistics (BLS) monthly survey of Idaho households indicated that the decrease in the number of persons unemployed was nearly twice what the state reported. The federal data has more weight in the regression model, thus it had a larger influence on the number unemployed in May. Again, an assessment of what the unemployment rate does during the summer months must take place before it can be officially stated that employment has turned the corner and is on the rise.

AREA AND COUNTY LABOR FORCE

The Panhandle and Idaho-Lewis Labor Market Areas (LMA) once again ranked first or second on the high-to-low list of LMA unemployment rates. The two counties' rates were 7.0 percent or more in May. On the other hand, the Magic Valley LMA and Bonneville LMA had rates of 3.5 percent and 3.6 percent, respectively, to maintain their usual standing at the lower end of the list.

Three counties experienced double-digit unemployment rates in May: Power County increased 3.4 percentage points from April to 12.0 percent; Adams County was unchanged from April's 11.4 percent; and Washington County rose to 10.1 percent for an increase of 0.1 percentage points. The significant increase in Power County's unemployment rate was due to layoffs in food processing, which occurred independently from the closure of a large phosphate chemical plant in 2001. Power County has typically relied upon chemical processing, food processing, crop agriculture, and a healthy tourism industry for its economic foundation.

May unemployment rates at or below 3.0 percent occurred in Madison County (1.7 percent), Owyhee County (2.1 percent), and Latah County (3.0 percent).

NONFARM PAYROLL JOBS

The total number of *Nonfarm Payroll Jobs* has increased every month this year, including May, which had a 0.9 percent increase over April. Industries experiencing a month-over-month increase in activity in May and the reason why include: *Construction*—residential and highway construction, in particular, picked up; *Logging*—road conditions permitted logging trucks in forests; *Employment Services*—an increase took place in the demand for temporary workers; *Agriculture*—more amenable weather occurred for planting and field work; *Building Material and Garden Equipment*—spring planting of gardens began, along with the start of home improvement projects; *Accommodations & Food Services*—the summer tourist season started up and gasoline prices became lower; and *Federal Government*—increased seasonal activity involving the U.S. Forest Service and the U.S. Bureau of Land Management began to occur. Declines in the number of jobs occurred in *Education*, both public and private, as the 2002-2003 school year drew to a close, and in *Food Processing* as a result of scheduled maintenance shut-downs and layoffs at the J.R. Simplot processing plant in Heyburn.

Employment gains since May 2002 have been widespread even though most industries still have an employment count below that of one year ago. Notable growth has occurred in *Trucking*, *Financial Activities*, *Administrative & Support Services*, *Health Care & Social Assistance*, and *Food Services & Drinking Places*. Job losses or sluggish growth continues to occur in *Mining*, *Wood Product Manufacturing*, and *Food Manufacturing*. In sum, Idaho's job activity is catching up with last year's, but has not caught up yet.

State Chart 1 on page 4 provides a longer-term view of Idaho's *Total Nonfarm Employment*. Several things can be noted from this chart: 1) monthly movements each year are usually in the same direction as other years, i.e., a drop in employment from June to July usually occurs; 2) the number of jobs reached new highs until mid-2001, and then began a decline that coincided with the national recession; and 3) at least for the first five months, 2003 employment levels indicated a narrowing of the gap between this year and the peak year.

Industry Developments

Goods-Producing Industries added 2,700 jobs in May from April, a 2.7 percent increase. The *Service-Providing Industries* added an additional

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2,100 jobs over the month, a 0.5 percent increase. It is unusual for the *Goods-Producing Industries* to add more jobs than the *Service-Providing Industries*, and May is the second consecutive month this has occurred. Most of this can be attributed to the continuing strength and growth of *Construction*, coupled with slower than usual expansion of most of the services supersector jobs.

Construction added 2,500 jobs in May over April. All of the component industries added jobs; *Specialty Trade Contractors* added the most with 1,400 new jobs. Workers in these jobs work in all types of construction, but are usually associated with residential and commercial building work. New housing permitting has remained strong, older structures are being remodeled, and new office parks are being developed throughout the state. The state's colleges and universities were given the go-ahead to start building projects that had been placed on hold because of the state's budget crunch.

Logging added 200 jobs in May but *Sawmills* lost an equal number so the forest products industries were stagnant. *Paper Manufacturing* employment also remained unchanged. Besides the usual bugaboos stressing these industries recently—low prices, forest accessibility, and international competition—the arrival of summer brings another, natural nemesis to these industries: wildfires. Last year Idaho was lucky and major forest fires did not occur. This year, once again, the fire conditions are emerging as conducive to major fires: low precipitation forecasts, hot weather, and lots of fuel in the forests.

Since March 2003, employment in the *Computer & Electronics Products Manufacturing* has remained at the 16,000 level and the “no change” streak continued into May. No additional job losses in this industry, which has lost 4,000 jobs since the fourth quarter of 2000, might mean some stability has returned. However, formidable challenges to the Idaho businesses remain with weak business investment nationally and international trade issues being among the most important.

The month-over-month growth rate for the *Service-Providing Industries* was less than the rate for all *Nonfarm Payroll Jobs*. The April-to-May 0.5 percent growth rate for this large group of industries is less than the change rate in the previous months of 2003. So far in 2003, monthly growth in the *Service-Providing Industries* ranged from 1.0 percent (February to March) to May's 0.5 percent. The *Service-Providing Industries* have increased 3.0 percent from the first of the year. *Total Nonfarm Employment* has increased by 3.2 percent and *Goods-Producing Industries* has grown by 4.1 percent. However, most of the jobs were added in the *Service-Providing Industries*: 13,200 compared to 4,000 jobs in the *Goods-Producing Industries*.

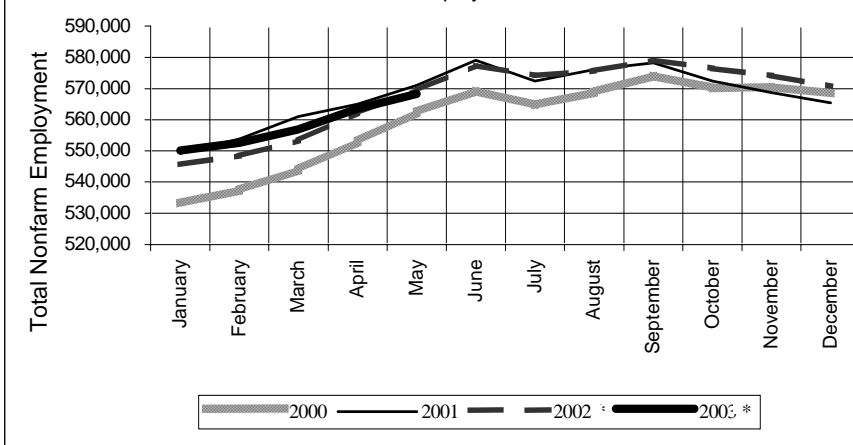
A look at the individual industries shows month-over-month job increases in those normally expected to increase such as *Building Material and Garden Equipment* (up 300 jobs), *General Merchandise Stores* (up 300 jobs) and the *Leisure and Hospitality* (up 800 jobs). Education em-

State Table 1: May 2003 Labor Force (preliminary)

Seasonally Adjusted	Labor Force	Unemp.	% Unemp.	Total Emp.
Seaport LMA	36,193	1,667	4.6	34,527
Nez Perce County	24,038	854	3.6	23,185
Asotin County, WA	12,155	813	6.7	11,342
Boise City MSA	246,290	12,725	5.2	233,565
Ada County	177,286	8,479	4.8	168,806
Canyon County	69,005	4,246	6.2	64,759
Pocatello City MSA*	41,212	2,077	5.0	39,135
Bonneville LMA	83,636	3,013	3.6	80,623
Bingham County	22,444	964	4.3	21,479
Bonneville County	49,327	1,572	3.2	47,755
Butte County	1,581	87	5.5	1,494
Jefferson County	10,284	390	3.8	9,894
Cassia-Minidoka LMA	20,362	1,404	6.9	18,957
Cassia County	10,222	638	6.2	9,583
Minidoka County	10,140	766	7.6	9,374
Idaho-Lewis LMA	8,364	589	7.0	7,775
Idaho County	6,847	523	7.6	6,323
Lewis County	1,517	66	4.3	1,452
Panhandle LMA	92,412	6,813	7.4	85,599
Benewah County	4,223	342	8.1	3,881
Bonner County	17,750	1,247	7.0	16,502
Boundary County	4,475	399	8.9	4,076
Kootenai County	59,583	4,214	7.1	55,369
Shoshone County	6,381	611	9.6	5,770
Magic Valley LMA	54,031	1,916	3.5	52,115
Gooding County	7,593	263	3.5	7,330
Jerome County	10,052	364	3.6	9,687
Twin Falls County	36,386	1,289	3.5	35,097
Adams County	1,723	196	11.4	1,526
Bear Lake County	3,049	135	4.4	2,914
Blaine County	12,624	440	3.5	12,184
Boise County	2,597	166	6.4	2,431
Camas County	472	36	7.7	435
Caribou County	3,151	200	6.4	2,951
Clark County	566	25	4.4	541
Clearwater County	3,788	354	9.3	3,434
Custer County	2,347	140	5.9	2,207
Elmore County	9,887	701	7.1	9,186
Franklin County	5,487	170	3.1	5,317
Fremont County	5,035	253	5.0	4,782
Gem County	6,048	448	7.4	5,600
Latah County	16,356	486	3.0	15,870
Lemhi County	3,918	236	6.0	3,682
Lincoln County	2,193	96	4.4	2,097
Madison County	12,040	204	1.7	11,836
Oneida County	1,802	73	4.1	1,728
Owyhee County	3,932	84	2.1	3,849
Payette County	9,488	810	8.5	8,678
Power County	3,302	398	12.0	2,905
Teton County	3,883	123	3.2	3,759
Valley County	4,110	327	8.0	3,782
Washington County	4,194	422	10.1	3,772
State of Idaho	692,197	35,914	5.2	656,283
Idaho Cities				
Boise	119,091	5,310	4.5	113,780
Coeur d'Alene	21,106	1,156	5.5	19,950
Idaho Falls	30,209	1,015	3.4	29,194
Lewiston	20,432	635	3.1	19,797
Nampa	21,203	1,410	6.7	19,792
Pocatello	29,651	1,444	4.9	28,207
Twin Falls	19,041	712	3.7	18,329

* Pocatello MSA includes all of Bannock County.

State Chart 1: 2000-2003 Idaho Nonfarm Employment



ployment usually starts to decline in May, especially in higher education as students leave their work-study jobs and some support staff leave their jobs for the summer. Public schools continue their classes until early June, so that normal decline has not occurred.

Two specific industries deserve some mention, although for different reasons. *Hospitals* and other health care facilities had been one of the fastest growing sources of new jobs in the late 1990s up to the later months of 2001. Since then, the number of jobs has hovered around 13,000 to 13,500 with incidental ups and downs on a month-to-month basis. It is thought this growth hiatus will remain for awhile as facility expansions slow down, medical and health insurance costs rise, and hospitals cope with labor supply shortages in the skilled nursing and medical technician occupations. The other industry is *Administrative & Support Services*. Up until mid-2002 this industry, which includes temporary personnel/staffing services and call centers, had been adding 1,500 to 2,000 jobs per month. Then the bubble burst at mid-year 2002 and 5,400 jobs were lost by the end of the year. Now there has been a modest resurgence of this industry and steady job increases are narrowing the gap to the employment high water mark of 34,800 jobs set in August 2002.

State and Local Government employment is dependent upon many factors. The strongest long-term determinant is population—growth, location, and demographics. Idaho's very strong population growth of a few years ago is slowing down so the driving force of population should be somewhat reduced. A second driving force is now drawing more attention and that is spending on public services. Governments at all levels are experiencing budget problems. With state and local governments unable to finance general operations through deficit spending, budgets are being reduced even after some taxes have been raised. The job count can mask the effects of budget crunches to some degree. For instance, workers might have to accept reduced hours. Attrition openings are filled with temporary and part-time work-

ers. In addition, there are normal seasonal swings attributed to school year changes, summer parks and recreation activities, and a flurry of maintenance repair projects. While overall state and local government employment might increase, it will be at a slower pace and specific services might be curtailed.

Agriculture

An additional 1,270 workers were hired since April to bring the total farm workforce up to 41,670 in May. About 88 percent of this workforce is in the hired worker category. It is expected additional workers will be hired in June as the peak farm employment period occurs.

The Idaho Agricultural Statistical Service reported that mid-May prices received by Idaho producers had increased from April for feed and malting barley, dry beans, all wheat, beef cattle, cows and milk. Prices were down not only from last month but also from last year for alfalfa hay, steers and heifers, and calves. May potato prices were down from April.

There were some rainy days in April and this helped to conserve scant water supplies. Emergency drought declarations have been issued for 15 Idaho counties, all of which are in South Central and Southeastern Idaho. Water is often thought as the amount one sees in streams, reservoirs, and other surface systems. In Idaho, a great deal of water for irrigation and other uses is ground water, which has to be pumped to the surface to be used. A huge underwater system known as the Snake River Aquifer supplies water to much of South Central Idaho. This aquifer requires surface water—rain and snow—to recharge it. So a drought condition on the earth's surface is often accompanied by water scarcities underground.

If high temperature/low precipitation conditions persist throughout the summer, water shortages will likely occur and the chances for wildfires will increase. Forest fires cause obvious immediate damage to trees, wild animals and structures, but also to grazing lands for cattle and sheep, and water drainage systems if they become fouled by silt and other contaminants that erode into them. Range fires not only damage grazing lands and animal life, they can destroy fields with crops drying prior to harvest—barley and wheat in Idaho's case. Even though wildfires are costly and damaging, they also can be a natural phenomenon with long-term restorative and regeneration benefits.

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State Table 2: Nonfarm Payroll Jobs

% Change From

BY PLACE OF WORK	May 2003*	April 2003	May 2002	Last Month	Last Year
Nonfarm Payroll Jobs**	568,200	563,400	569,700	0.9	-0.3
GOODS-PRODUCING INDUSTRIES	101,400	98,700	105,000	2.7	-3.4
Natural Resources & Mining	3,000	2,700	3,200	11.1	-6.3
Logging	1,200	1,000	1,400	20.0	-14.3
Mining	1,800	1,700	1,800	5.9	0.0
Metal Ore Mining	500	500	500	0.0	0.0
Construction	37,800	35,300	37,200	7.1	1.6
Manufacturing	60,600	60,700	64,600	-0.2	-6.2
Durable Goods	37,200	37,300	40,400	-0.3	-7.9
Wood Product Manufacturing	7,300	7,500	7,600	-2.7	-3.9
Sawmills & Wood Preservation	2,900	3,100	3,100	-6.5	-6.5
Veneer & Engineered Products	1,300	1,300	1,300	0.0	0.0
Other Wood Product Manufacturing	3,100	3,100	3,200	0.0	-3.1
Fabricated Metal Product Manufacturing	3,700	3,600	3,600	2.8	2.8
Machinery Manufacturing	2,900	2,900	2,800	0.0	3.6
Computer & Electronic Product Manufacturing	16,000	16,000	17,900	0.0	-10.6
Transportation Equipment Manufacturing	2,200	2,200	2,200	0.0	0.0
Other Durable Goods	5,100	5,100	6,300	0.0	-19.0
Nondurable Goods	23,400	23,400	24,200	0.0	-3.3
Food Manufacturing	15,400	15,600	16,000	-1.3	-3.8
Fruits & Vegetable Preserving & Specialty	7,700	8,000	8,400	-3.8	-8.3
Paper Manufacturing	1,600	1,600	1,700	0.0	-5.9
Printing & Related Support Activities	2,000	2,000	2,000	0.0	0.0
Chemical Manufacturing	1,900	1,900	2,000	0.0	-5.0
Other Nondurable Goods	2,500	2,300	2,500	8.7	0.0
SERVICE-PROVIDING INDUSTRIES	466,800	464,700	464,700	0.5	0.5
Trade, Transportation, & Utilities	114,000	113,000	115,800	0.9	-1.6
Trade	96,000	95,100	97,400	0.9	-1.4
Wholesale Trade	24,600	24,500	25,100	0.4	-2.0
Wholesalers, Durable Goods	11,700	11,700	11,500	0.0	1.7
Wholesalers, Nondurable Goods	11,400	11,300	11,700	0.9	-2.6
Retail Trade	71,400	70,600	72,300	1.1	-1.2
Motor Vehicle and Parts Dealers	10,400	10,400	10,600	0.0	-1.9
Building Material and Garden Equipment	8,200	7,900	8,200	3.8	0.0
Food & Beverage Stores	12,200	12,200	12,300	0.0	-0.8
General Merchandise Stores	14,800	14,500	14,400	2.1	2.8
Transportation, Warehousing, & Utilities	18,000	17,900	18,400	0.6	-2.2
Utilities	1,900	1,900	2,000	0.0	-5.0
Transportation & Warehousing	16,100	16,000	16,400	0.6	-1.8
Rail Transportation	1,300	1,300	1,300	0.0	0.0
Truck Transportation	8,300	8,100	8,100	2.5	2.5
Information	9,100	9,100	9,200	0.0	-1.1
Telecommunications	3,200	3,200	3,200	0.0	0.0
Financial Activities	26,300	26,000	25,700	1.2	2.3
Finance & Insurance	19,500	19,400	19,200	0.5	1.6
Real Estate & Rental & Leasing	6,800	6,600	6,500	3.0	4.6
Professional & Business Services	70,500	69,300	69,500	1.7	1.4
Professional, Scientific, & Technical	28,800	28,800	27,900	0.0	3.2
Scientific Research & Development	7,200	7,200	7,400	0.0	-2.7
Management of Companies & Enterprises	8,500	8,400	8,500	1.2	0.0
Administrative & Support & Waste Management	33,200	32,100	33,100	3.4	0.3
Administrative & Support Services	32,200	31,000	32,000	3.9	0.6
Educational & Health Services	60,500	62,200	58,900	-2.7	2.7
Educational Services	5,600	7,200	5,500	-22.2	1.8
Health Care & Social Assistance	54,900	55,000	53,400	-0.2	2.8
Hospitals	12,900	13,100	13,200	-1.5	-2.3
Leisure & Hospitality	54,500	53,700	53,200	1.5	2.4
Arts, Entertainment, & Recreation	9,000	9,000	7,300	0.0	23.3
Accommodation & Food Services	45,500	44,700	45,900	1.8	-0.9
Accommodation	7,000	7,100	7,500	-1.4	-6.7
Food Services & Drinking Places	38,500	37,600	38,400	2.4	0.3
Other Services	17,300	17,100	17,900	1.2	-3.4
Total Government	114,600	114,300	114,500	0.3	0.1
Federal Government	12,800	12,700	13,000	0.8	-1.5
State & Local Government	101,800	101,600	101,500	0.2	0.3
State Government	29,200	29,500	29,800	-1.0	-2.0
State Government Education	14,000	14,600	14,400	-4.1	-2.8
State Government Administration	15,200	14,900	15,400	2.0	-1.3
Local Government	72,600	72,100	71,700	0.7	1.3
Local Government Education	38,700	38,600	37,900	0.3	2.1
Local Government Administration	31,200	30,800	31,100	1.3	0.3
Local Government Tribes	2,700	2,700	2,700	0.0	0.0

*Preliminary Estimate

** Estimates include all full or part time wage and salary workers who worked or received pay in the following industry groups during the pay period ending nearest the 12th of the month.

State Table 3: Economic Indicators

	May 2003	April 2003	May 2002	% Change From	
				Last Month	Last Year
IDAHO LABOR FORCE ⁽¹⁾					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	692,200	693,500	683,600	-0.2	1.3
Unemployment	35,900	38,800	38,400	-7.5	-6.5
Percent of Labor Force Unemployed	5.2	5.6	5.6		
Total Employment	656,300	654,700	645,200	0.2	1.7
<i>Unadjusted</i>					
Civilian Labor Force	693,300	689,200	684,700	0.6	1.3
Unemployment	34,300	41,000	36,800	-16.3	-6.8
Percent of Labor Force Unemployed	4.9	5.9	5.4		
Total Employment	659,000	648,200	647,900	1.7	1.7
U. S. UNEMPLOYMENT RATE ⁽²⁾	6.1	6.0	5.8		
U.S. CONSUMER PRICE INDEX ⁽²⁾					
Urban Wage Earners & Clerical Workers (CPI-W)	179.4	179.8	175.8	-0.2	2.0
All Urban Consumer (CPI-U)	183.5	183.8	179.8	-0.2	2.1
AGRICULTURE					
Agriculture Employment	41,670	40,400	37,370	3.1	11.5
Operators	9,010	9,010	9,010	0.0	0.0
Unpaid Family	360	360	610	0.0	-41.0
Hired Workers	32,300	31,030	27,750	4.1	16.4
UNEMPLOYMENT INSURANCE					
<i>Claims Activities</i>					
Initial Claims ⁽³⁾	10,705	13,380	10,499	-20.0	2.0
Weeks Claimed ⁽⁴⁾	91,793	108,202	94,091	-15.2	-2.4
<i>Benefit Payment Activities⁽⁵⁾</i>					
Weeks Compensated	79,464	112,330	79,905	-29.3	-0.6
Total Benefit \$ Paid	\$17,609,199	\$25,186,306	\$17,745,622	-30.1	-0.8
Average Weekly Benefit Amount	\$221.60	\$224.22	\$222.01	-1.2	-0.2
Covered Employers	41,402	40,987	40,093	1.0	3.3
Total Benefit \$ Paid During Last 12 Months ⁽⁴⁾	\$215,444,375	\$215,580,799	\$190,422,000	-0.1	13.1

(1) Preliminary Estimate

(2) Source: U.S. Bureau of Labor Statistics

(3) Includes all entitlements/programs on Intrastate and Interstate Agent, New, and Additional Claims

(4) Includes all entitlements/programs, Intrastate and Interstate Agent

(5) Includes all entitlements/programs, Total Liable Activities



PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

EMPLOYMENT TRENDS

The Panhandle seasonally adjusted unemployment rate fell from 7.6 percent in April to 7.4 percent in May as the region prepared for what is expected to be its best summer tourist season ever and as exceptionally low mortgage rates pushed *Construction* employment 6.0 percent above last year's level. *Financial Activities*—which include banking, investment, credit, insurance, real estate, and rental businesses—also has benefited from the residential construction boom, increasing payroll jobs 5.1 percent from May 2002 to May 2003. See Panhandle Table 1 for details.

Promising a hot tourist season are Coeur d'Alene's hosting of the Ironman Triathlon in late June, the opening of Silverwood Theme Park's Boulder Beach water park in early July, the recent unveiling of the remodeled Coeur d'Alene Resort Golf Course, and this summer's opening of the golf course at the Coeur d'Alene Tribal Casino. In addition, recent changes in the exchange rate could encourage more Canadians to travel and shop in the Idaho Panhandle this summer. In October 1991, the value of the Canadian dollar, often called the Loonie because of the picture of a loon on it, rose 14 percent—from 63 cents on the American dollar in October to 72 cents in May. That's the Loonie's highest level since October 1997, giving Canadians more incentive to spend their money in the U.S.

If the Canadian Loonie continues to appreciate relative to the U.S. dollar, it also may benefit the Panhandle's hard-pressed *Wood Product Manufacturing* sector by making Canadian lumber relatively more expensive. The flood of Canadian lumber into the U.S. over the last few years has depressed lumber prices despite the strong U.S. housing market. Low prices during the last year have caused several Panhandle mills to cut hours, reduce employment, or shut down for maintenance more than nor-

Panhandle Table 1: Labor Force & Employment

	May 2003*	April 2003	May 2002	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	92,410	92,240	92,900	0.2	-0.5
Unemployed	6,810	6,990	8,260	-2.6	-17.6
% of Labor Force Unemployed	7.4	7.6	8.9		
Total Employment	85,600	85,250	84,640	0.4	1.1
Unadjusted					
Civilian Labor Force	92,390	91,880	92,820	0.6	-0.5
Unemployed	6,670	8,400	7,930	-20.6	-15.9
% of Labor Force Unemployed	7.2	9.1	8.5		
Total Employment	85,720	83,480	84,890	2.7	1.0
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	69,170	67,470	68,390	2.5	1.1
Goods-Producing Industries	12,760	12,060	12,690	5.8	0.6
Natural Resources & Mining	1,240	1,050	1,220	18.1	1.6
Construction	4,770	4,350	4,500	9.7	6.0
Manufacturing	6,750	6,660	6,970	1.4	-3.2
Wood Product Manufacturing	2,620	2,700	2,900	-3.0	-9.7
Other Manufacturing	4,130	3,960	4,070	4.3	1.5
Service-Providing Industries	56,410	55,410	55,700	1.8	1.3
Trade, Transportation, & Utilities	12,920	12,830	13,100	0.7	-1.4
Wholesale Trade	1,390	1,350	1,390	3.0	0.0
Retail Trade	10,010	9,900	10,210	1.1	-2.0
Utilities	380	380	380	0.0	0.0
Transportation & Warehousing	1,140	1,200	1,120	-5.0	1.8
Information	1,280	1,270	1,290	0.8	-0.8
Financial Activities	2,900	2,900	2,760	0.0	5.1
Professional & Business Services	6,810	6,570	6,750	3.7	0.9
Educational & Health Services	6,760	6,790	6,600	-0.4	2.4
Leisure & Hospitality	8,510	8,040	8,400	5.8	1.3
Other Services	2,360	2,340	2,210	0.9	6.8
Government Education	5,240	5,190	5,170	1.0	1.4
Government Administration	8,630	8,480	8,440	1.8	2.3
Government Tribes	1,000	1,000	980	0.0	2.0

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

mal. The 280 jobs lost between May 2002 and May 2003 include the 120 jobs lost in late April when Louisiana-Pacific (L-P) shut down its Bonners Ferry mill for an indefinite period.

Other Manufacturing employment added 170 jobs between April and May because of normal seasonal increases in concrete production and because of the continued expansion of Bonner County's manufacturing sector. While the rest of the Panhandle and the United States as a whole have lost many manufacturing jobs in the last two years, Bonner County's *Manufacturing* sector has added about 140 jobs. The new jobs came from expansions of Litehouse Dressing, Unicep Packaging, and Packer Aircraft and relocations of several small manufacturers recruited by Bonner County Economic Development Corporation.

AREA DEVELOPMENTS

Benewah County

- Potlatch Corp. currently is completing a \$2.7 million upgrade at its St. Maries complex where it employs 320 people. At the sawmill, Potlatch is installing computerized optimizers whose electronic eyes determine the most efficient way to position and saw logs. The optimizers will allow the sawmill to produce more board feet per log. It also will require two fewer people per shift; the people who currently position equipment to saw boards most efficiently will no longer be needed. New equipment at the plywood mill will make veneer that Potlatch will sell to companies that make laminated veneer lumber, which is increasingly used as support beams. Potlatch is shifting its focus to specialty markets and away from traditional plywood, which has been losing market share to oriented strand board. The upgrade represents Potlatch's continued commitment to the St. Maries complex, the most profitable site in its Western Wood Products division. The upgrade required a shutdown of the mill from Memorial Day weekend through June 18 that affected about 80 workers.
- The Coeur d'Alene Tribe broke ground on June 2 for an 11,000-square-foot, \$2.2 million Early Learning Center near the Benewah Medical & Wellness Center in Plummer. The Early Learning Center will house childcare services, Head Start, Early Head Start, and Even Start, which currently are scattered across several buildings. Proximity to the wellness center gives the programs easy access to the pool and gym. Construction is slated for completion by early September. The children's programs will serve all community members with tribal members getting first priority.
- The Coeur d'Alene Tribe also recently started construction on a visitor center for the western end of the Trail of the Coeur d'Alenes. The 72-mile bike path extends along the former Union Pacific Railroad from Mullan in Shoshone County to Plummer. A parking lot that can accommodate up to 30 cars and a restroom facility are currently under construction. A \$500,000 HUD grant is paying for the construction. Eventually, a large information center also will be built there.
- Michael Hill recently opened The Glass Butler, a windshield repair service, on Eighth Street in St. Maries. The new business is similar to another St. Maries business—Mountain States Glass—owned by Hill's brother Kirk. It will provide windshield replacement and rock chip repair services to Idahoans from Grangeville north to the border, and will gar-

ner customers by word of mouth and telemarketing. Mountain States Glass, which employed more than 70 people three years ago, has downsized a great deal since then. The Glass Butler opened with a staff of six people and plans for future expansion.

Bonner County

- Coldwater Creek, the Sandpoint-based mail order catalog company, continues to open new retail stores. By last Christmas, it had 43 retail stores across the United States. This year, it is opening more than 20 retail stores. It may add up to 40 stores next year. Coldwater also is in the process of opening six outlet discount stores. In 2000, stores made up 7 percent of Coldwater's sales; by 2005, they are expected to make up 50 percent. Coldwater Creek employs about 350 people in the Sandpoint area—at its corporate headquarters in Kootenai and its first store, Cedar Street Bridge in downtown Sandpoint.

Kootenai County

- Boulder Beach, the new 12-acre water park at Silverwood Theme Park, features four water slides, two waterfalls, a 22,000-square-foot wave pool, a "lazy river" for floating, a swim-up beverage bar, a retail store, and a restaurant. It also includes Polliwog Park, a play area for younger children. Silverwood expects that the water park will boost tourist visits 10 percent above last year's record 350,000 visits, as well as turning the park into a two-day adventure.
- While the loss of contracts forced Center Partners to significantly cut employment at its call centers in Colorado and Idaho Falls since April, its two call centers in Kootenai County downsized only slightly. Center Partners' largest client was AT&T Broadband. After Comcast purchased AT&T Broadband in November, Comcast chose to provide more services in house and reduced its contracts with Center Partners. In late June, Center Partners signed up a new client, whose name has not been announced, that could result in the addition of 150 jobs at Center Partners operations in Coeur d'Alene and Post Falls by September. Currently, Center Partners employs about 950 people in Kootenai County.
- Among the newest businesses in Post Falls are Kootenai Lawn & Garden, which sells and repairs lawn and garden equipment at 808 West Mullan Avenue, and a Zips Drive-In, which serves fast food at the former Jack in the Box location at 3960 West Railroad Avenue. Zips also will open a drive-in restaurant in Rathdrum later this summer, when Zip's new building along Highway 41 is complete.
- The Zoo, a store that opened a year ago in the Coeur d'Alene Resort Plaza Shoppes, expanded in April by

Continued on page 25



SEAPORT

NORTH CENTRAL IDAHO: CLEARWATER, IDAHO, LATAH, LEWIS, & NEZ PERCE COUNTIES

EMPLOYMENT TRENDS

Seaport's seasonally adjusted unemployment rate decreased in May to 4.6 percent from April's rate of 5.1 percent, as shown in Seaport Table 1. In May 2002, the rate was 4.7 percent. May's *Nonfarm Payroll Jobs* increased only 80 jobs from April 2003, but decreased 950 from May 2002. Most of the increase since April was in *Construction*—8.3 percent—which can be attributed to road-work and industrial construction crews. In both *Leisure and Hospitality* and *Trade* sectors, employment increased from April 2003, but both are lagging behind last year's levels.

AREA DEVELOPMENTS

Idaho & Lewis Counties

- Syringa General Hospital in Grangeville broke ground in June on a \$240,000 ambulance shed and community meeting room. The building will be 3,600-square feet, including a 1,000-square-foot classroom/meeting room that will be equipped for teleconferences. The ambulance shed and community meeting room will be located across the street from the main hospital building on the site of the former Crossroads Restaurant and Motel. Only part of the block will be used for the new building. A new steakhouse will occupy the remaining space. Becky Mager and her father, Ernie Robinson, both of White Bird, are building the restaurant and owned the entire property, but sold a 100-by-100-foot section to the hospital for less-than-market value.

Latah County

- Crews have demolished the Gritman Medical Center engineering building on the south side of Eighth Street between Main and Washington Streets in Moscow. The demolition is one of the steps needed to prepare the site for an expansion of the hospital, which is scheduled to break ground July 23. Plans call for a 48,000-square-foot, \$19 million addition. Eighth Street between Main

Seaport Table 1: Labor Force & Employment
Nez Perce County, Idaho and Asotin County, Washington

	May 2003*	April 2003	May 2002	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	36,190	36,590	35,190	-1.1	2.8
Unemployment	1,670	1,860	1,670	-10.2	0.0
% of Labor Force Unemployed	4.6	5.1	4.7		
Total Employment	34,520	34,730	33,520	-0.6	3.0
Unadjusted					
Civilian Labor Force	36,130	36,580	35,260	-1.2	2.5
Unemployment	1,480	1,850	1,550	-20.0	-4.5
% of Labor Force Unemployed	4.1	5.1	4.4		
Total Employment	34,650	34,730	33,710	-0.2	2.8
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	26,780	26,700	27,730	0.3	-3.4
Goods-Producing Industries	4,370	4,300	4,640	1.6	-5.8
Natural Resources & Mining	200	190	180	5.3	11.1
Construction	1,040	960	1,270	8.3	-18.1
Manufacturing	3,130	3,150	3,190	-0.6	-1.9
Wood Product Manufacturing	530	540	570	-1.9	-7.0
Food Manufacturing	90	90	80	0.0	12.5
Paper Manufacturing	1,210	1,210	1,200	0.0	0.8
Other Manufacturing	1,300	1,310	1,340	-0.8	-3.0
Service-Providing Industries	22,410	22,400	23,080	0.0	-2.9
Trade, Transportation & Utilities	6,070	6,030	6,090	0.7	-0.3
Wholesale Trade	640	620	630	3.2	1.6
Retail Trade	4,100	4,090	4,120	0.2	-0.5
Utilities	90	90	90	0.0	0.0
Transportation & Warehousing	1,240	1,230	1,250	0.8	-0.8
Information	370	360	380	2.8	-2.6
Financial Activities	1,850	1,830	1,810	1.1	2.2
Professional & Business Services	1,470	1,520	1,530	-3.3	-3.9
Education & Health Services	3,800	3,830	4,040	-0.8	-5.9
Leisure & Hospitality	2,640	2,590	2,750	1.9	-4.0
Other Services	1,180	1,180	1,200	0.0	-1.7
Government Education	2,250	2,320	2,520	-3.0	-10.7
Government Administration	1,910	1,870	1,880	2.1	1.6
Government Tribes	870	870	880	0.0	-1.1

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

and Washington was permanently closed in June to make room for the two-story addition. A narrow corridor will connect the old building with the new. One of the highlights of the new first floor will be a women's center that includes a birthing center, ultrasound, mammography, and gynecology rooms. Outpatient services also will be on the first floor. The second floor will feature an enlarged inpatient department with private rooms. A rooftop helipad will be constructed, giving the hospital an improved link for emergencies and patient transfers. Improvements in the old hospital also will be made, operating rooms will be upgraded, and other areas will be renovated to dovetail with the new addition.

- New medical facilities seem to be cropping up like wheat on the Palouse. The neighboring city of Pullman, Wash., broke ground in May

on a new hospital. In addition, construction will begin this summer in Moscow on the new Palouse Surgery Center on property north of Wal-Mart on Warbonnet Drive. The surgery center, a joint venture between Gritman and 17 local physicians, is designed to offer same-day surgical procedures. The center is patterned after nearly 3,500 similar centers throughout the United States and is scheduled to open in early 2004. Outpatient surgery and care is one of the fastest growing trends in medicine. Patients will arrive at the surgery center on the day of their procedures, have surgery in an operating room, and recover all in one day without the more costly hospital admission associated with overnight or longer-term stays.

Nez Perce County & Asotin Counties

- One might think that in a sagging economy plans to buy a fishing boat might be one of the first cuts families would make to control their budgets. Judging by what's happening with north central Idaho and southeastern Washington welded aluminum boat manufacturers, however, that isn't the case. Five of the eight manufacturers in this area have backlogs of customers who want to purchase boats. Since 2000, the number of people employed in boat manufacturing in the Lewiston-Clarkston Valley has climbed by 41 to 211. Although those jobs represent just 6.5 percent of all manufacturing jobs, they're important because boat making is one of the few sectors of manufacturing that's growing. Many of those working for boat manufacturers are welders, a trade with average wages of \$13.50 per hour in this area.
- Lewis-Clark State College (LCSC) will finally break ground in August on its new multipurpose activity center. The \$16.4 million center has been in limbo since January 2002. In early May, the Legislature approved the issuance of bonds to help finance construction of state-approved projects, such as the multipurpose activity center and the University of Idaho Teaching and Learning Center. A Spokane contractor provided a bid in January 2002 to build the activity center for \$1.2 million less than the estimated construction cost of \$13 million. That contractor, Leone Keeble, Inc., indicated the project could still be completed for that price. LCSC has waited years for the center, which will be built to replace the 1930s-era Warrior Gym. Fund-raising for the 100,000-square-foot center began more than five years ago. The college began a local fund-raising campaign that raised about \$1.5 million from local supporters. Students committed to pay additional fees to raise \$2 million for the project.
- Potlatch Corp., the Lewiston-Clarkston Valley's largest private employer, is transferring 12 of 2,000 jobs in Lewiston to the Midwest. The transfers are a part of a decision by Potlatch to open a new site in the

Midwest where tissue will be cut into household towels. The number of converting lines in Lewiston will drop by one to 20 in January when the change is completed, according to a statement from Potlatch. Many of Potlatch's customers, such as Safeway, Albertsons, and Kroger, have expanded into the Midwest and Northeast. They've requested Potlatch provide them with house brand tissue for those areas. Potlatch has also landed new customers in those geographic regions. Those markets will likely grow more quickly than in the West because Potlatch already has acquired 90 percent of the accounts for drug and grocery stores in the West. Much of the tissue needed for the Midwest and Northeast markets is made in Lewiston, but transporting finished products is more expensive than transporting the parent rolls of tissue that are fed into the machines. The parent rolls are about 7-feet in diameter and 8 ½-feet wide, weighing 4,500 pounds. One truck is needed to move a parent roll across the country while several would be needed to transport the finished products that could be made from it. It has not been established exactly where the new converting site will be or how many people it will employ at this time.

- Regence BlueShield of Idaho is cutting 35 claims processing and customer service jobs in Lewiston. These are jobs that were created in the last two years to help with a transition to a new computer system, said Georganne Benjamin, spokeswoman for Regence BlueShield of Idaho. Regence hired more people to cover for workers who were being trained on the new system, and processed claims on the old system to prevent a backlog, Benjamin said. Regence hired these additional employees to help with the change in Idaho, and then planned to transfer them to assist Regence affiliates in Washington, Oregon, and Utah. Changes in the economy and other industry pressures led to a change in the plans, resulting in the layoff, Benjamin said. In addition to the 35 eliminated positions, another 65 jobs are affected in some way. In recent months, another 20 jobs have not been filled as people left or those who held them were reassigned in-house, according to Benjamin. Regence, a not-for-profit medical insurance provider, is one of the largest employers in the Lewiston-Clarkston Valley.

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TREASURE VALLEY

ADA, ADAMS, BOISE, CANYON, ELMORE, GEM, OWYHEE, PAYETTE, VALLEY, & WASHINGTON COUNTIES

EMPLOYMENT TRENDS

The Boise City Metropolitan Statistical Area's (MSA) average annual unemployment rate for May 2003 was 5.2 percent, as shown in Treasure Valley Table 1. This was five-tenths of a percentage point below the April 2003 rate of 5.7 percent and one-tenth of a percentage point above the May 2002 rate of 5.1 percent. Month-over-month, the number of employed persons decreased by 200, or 0.1 percent, from April 2003, and the number of unemployed individuals decreased by 1,500 individuals, or 10.6 percent. The decreasing number of persons employed and the decreasing number of persons unemployed created an overall decrease of 1,700 individuals, or 0.7 percent, in the *Civilian Labor Force* from April 2003. Year-over-year the number of employed persons has decreased by 4,800, or 2.0 percent, and the number of unemployed individuals decreased by 200 individuals, or 1.6 percent, creating a net decrease in the *Civilian Labor Force* of 5,000 individuals from May 2002. The *Civilian Labor Force* figures for May 2003 for all ten counties in Southwest Idaho are shown in Treasure Valley Table 2.

Treasure Valley Table 2: May 2003 Seasonally Adjusted Labor Force Figures for Southwest Idaho Counties				
	Civilian Labor Force	Number Unem- ployed	Percent Unem- ployed	Number Employed
Ada	177,286	8,479	4.8	168,806
Adams	1,723	196	11.4	1,526
Boise	2,597	166	6.4	2,431
Canyon	69,005	4,246	6.2	64,759
Elmore	9,887	701	7.1	9,186
Gem	6,048	448	7.4	5,600
Owyhee	3,932	84	2.1	3,849
Payette	9,488	810	8.5	8,678
Valley	4,110	327	8.0	3,782
Washington	4,194	422	10.1	3,772
Statewide	692,197	35,914	5.2	656,283

Treasure Valley Table 1: Boise MSA Labor Force & Employment
Ada and Canyon Counties

	May 2003*	April 2003	May 2002	% Change	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	246,300	248,000	251,300	-0.7	-2.0
Unemployment	12,700	14,200	12,900	-10.6	-1.6
% of Labor Force Unemployed	5.2	5.7	5.1		
Total Employment	233,600	233,800	238,400	-0.1	-2.0
Unadjusted					
Civilian Labor Force	247,000	246,800	250,900	0.1	-1.6
Unemployment	12,200	14,000	12,300	-12.9	-0.8
% of Labor Force Unemployed	4.9	5.7	4.9		
Total Employment	234,800	232,800	238,600	0.9	-1.6
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	227,300	226,000	229,100	0.6	-0.8
GOODS-PRODUCING INDUSTRIES	45,100	45,000	47,400	0.2	-4.9
Natural Resources & Construction					
Manufacturing					
Durable Goods	22,800	22,900	24,600	-0.4	-7.3
Wood Product Manufacturing	1,900	1,900	1,900	0.0	0.0
Fabricated Metal Products Mfg.	1,400	1,400	1,500	0.0	-6.7
Machinery Manufacturing	1,200	1,300	1,400	-7.7	-14.3
Computer & Electronic Manufacturing	14,200	14,200	16,100	0.0	-11.8
Transportation Equipment Mfg.	1,600	1,600	1,700	0.0	-5.9
Other Durable Goods	2,500	2,500	2,000	0.0	25.0
Nondurable Goods	7,000	6,900	6,800	1.4	2.9
Food Manufacturing	5,300	5,200	5,100	1.9	3.9
Printing & Related Support Activities	700	700	800	0.0	-12.5
Other Nondurable Goods	1,000	1,000	900	0.0	11.1
SERVICE-PROVIDING INDUSTRIES	182,200	181,000	181,700	0.7	0.3
Trade, Transportation, & Utilities					
Trade	36,900	36,600	37,300	0.8	-1.1
Wholesale Trade	10,200	10,300	10,100	-1.0	1.0
Wholesalers, Durable Goods	6,500	6,600	6,200	-1.5	4.8
Wholesalers, Nondurable Goods	2,800	2,800	3,100	0.0	-9.7
Retail Trade	26,700	26,300	27,200	1.5	-1.8
Food & Beverage Stores	4,000	4,000	4,000	0.0	0.0
General Merchandise Stores	5,600	5,500	5,700	1.8	-1.8
All Other Retail Trade	17,100	16,800	17,500	1.8	-2.3
Transportation, Warehousing, & Utilities	6,700	6,700	7,000	0.0	-4.3
Utilities	700	700	700	0.0	0.0
Transportation & Warehousing	6,000	6,000	6,300	0.0	-4.8
Information	3,600	3,600	3,700	0.0	-2.7
Telecommunications	1,400	1,400	1,300	0.0	7.7
Financial Activities	12,100	12,100	11,900	0.0	1.7
Finance & Insurance	9,200	9,200	8,900	0.0	3.4
Real Estate & Rental & Leasing	2,900	2,900	3,000	0.0	-3.3
Professional & Business Services	32,000	31,800	31,500	0.6	1.6
Professional, Scientific, & Technical	9,600	9,600	9,800	0.0	-2.0
Management of Companies & Ent.	6,800	6,800	6,800	0.0	0.0
Administrative & Support & Waste Mgmt.	15,600	15,400	14,900	1.3	4.7
Educational & Health Services	27,800	27,600	26,900	0.7	3.3
Educational Services	2,000	1,900	2,300	5.3	-13.0
Health Care & Social Assistance	25,800	25,700	24,600	0.4	4.9
Hospitals	8,900	8,800	8,900	1.1	0.0
Leisure & Hospitality	19,600	19,300	20,400	1.6	-3.9
Arts, Entertainment, & Recreation	2,700	2,500	2,800	8.0	-3.6
Accommodation & Food Services	16,900	16,800	17,600	0.6	-4.0
Accommodation	2,000	2,000	2,100	0.0	-4.8
Food Services & Drinking Places	14,900	14,800	15,500	0.7	-3.9
Other Services	6,700	6,700	6,700	0.0	0.0
Total Government	36,800	36,600	36,300	0.5	1.4
Federal Government	5,400	5,300	5,300	1.9	1.9
State & Local Government	31,400	31,300	31,000	0.3	1.3
State Government	13,800	13,900	13,300	-0.7	3.8
State Government Education	4,300	4,300	4,400	0.0	-2.3
State Government Administration	9,500	9,600	8,900	-1.0	6.7
Local Government	17,600	17,400	17,700	1.1	-0.6
Local Government Education	10,200	10,100	10,600	1.0	-3.8
Local Government Administration	7,400	7,300	7,100	1.4	4.2

* Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

In the Boise City MSA *Nonfarm Payroll Jobs* increased by 1,300, or 0.6 percent, from April 2003 to May 2003, while over the year, *Nonfarm Payroll Jobs* lost 1,800 jobs in the Boise City MSA. Month-over-month, *Goods-Producing Industries* gained 100 jobs; job decreases were noted in *Machinery Manufacturing* (-100 jobs), while job gains were noted in *Natural Resources & Construction* (100 jobs), and *Food Manufacturing* (100 jobs). Year-over-year, *Goods-Producing Industries* lost 2,300 jobs with job losses noted in *Natural Resources, Mining, & Construction* (-700 jobs), *Fabricated Metal Products Manufacturing* (-100 jobs), *Machinery Manufacturing* (-200 jobs), *Computer & Electronic Product Manufacturing* (-1,900 jobs), *Transportation Equipment Manufacturing* (-100 jobs), and *Printing and Related Supports Activities* (-100 jobs). Job gains occurred in *Other Durable Goods Manufacturing* (500 jobs), *Food Manufacturing* (200 jobs), and *Other Nondurable Goods Manufacturing* (100).

In *Service-Providing Industries*, job gains outweighed jobs lost with an additional 1,200 jobs recorded from April 2003 to May 2003. Job gains were experienced in *General Merchandise Stores* (100 jobs), *All Other Retail Trade* (300 jobs), *Administrative & Support & Waste Management Services* (200 jobs), *Educational Services* (100 jobs), *Health Care & Social Assistance Services* (100 jobs) including *Hospitals* (100 jobs), *Arts, Entertainment, & Recreation Services* (200 jobs), *Food Services & Drinking Places* (100 jobs), *Federal Government* (100 jobs), *Local Government Education* (100 jobs), and *Local Government Administration* (100 jobs). Job losses were noted in *Durable Goods Wholesale Trade* (-100 jobs) and *State Government Administration* (-100 jobs). Year-over-year, *Service-Providing Industries* gained 500 jobs, with job losses noted in *Nondurable Goods Wholesale Trade* (-300 jobs), *General Merchandise Stores* (-100 jobs), *All Other Retail Trade* (-400 jobs), *Transportation & Warehousing Services* (-300 jobs), *Information Services* (-100 jobs), *Real Estate & Rental & Leasing Services* (-100 jobs), *Professional, Scientific, & Technical Services* (-200 jobs), *Educational Services* (-300 jobs), *Arts, Entertainment & Recreation Services* (-100 jobs), *Accommodation Services* (-100 jobs), *Food Services & Drinking Places* (-600 jobs), *State Government Education* (-100 jobs), and *Local Government Education* (-400 jobs). Job gains were noted in *Durable Goods Wholesale Trade* (300 jobs), *Telecommunications Services* (100 jobs), *Finance & Insurance Services* (300 jobs), *Administrative & Support & Waste Management Services* (700 jobs), *Health Care & Social Assistance Services* (1,200 jobs), *Federal Government* (100 jobs), *State Government Administration* (600 jobs), and *Local Government Administration* (300 jobs). The slow

growth of jobs over the year is consistent with the downturn and slow recovery that the national economy has been experiencing since January 2001.

SPECIAL TOPIC:

New MSA Designations

The 2000 Census resulted in some changes to the Boise City MSA. The name of the area was officially changed to the Boise City-Nampa, ID MSA. In addition to the name change, Boise County, Gem County, and Owyhee County were added to the MSA. The MSA is determined by traffic patterns, and the majority of residents who live in Boise, Gem, and Owyhee Counties work in Ada and Canyon Counties.

In addition to the Boise City-Nampa MSA, there are five other MSA designations around the state including the Coeur d'Alene MSA (Kootenai County), Idaho Falls MSA (Jefferson and Bonneville Counties), Lewiston MSA (Nez Perce County in Idaho and Asotin County in Washington), Logan MSA (Franklin County joined the Logan Metro Area), and Pocatello (Bannock County). Officials hope that the new MSA designations throughout the state will spur increased business development and provide more opportunities for the state to compete in broader markets as well as increase eligibility for a number of federal programs.

AREA DEVELOPMENTS

Boise City MSA

- The Boise Metro Chamber of Commerce held its annual Small Business Awards luncheon in late May. The recipients of this year's awards included dollar-store chain Honk's Inc., architecture firm Gile-Buck & Associates, and smoke containment system manufacturer Smoke Guard Corp.
- The annual Boise River Festival took place in late June. Festivities at this year's festival included balloon launches, a carnival, parades, food courts, an arts and crafts fair, plenty of entertainment, and a finale fireworks display. No announcements regarding the financial success of the event were available at publication time.
- The new terminal at the Boise Airport opened in late June. The \$108.5 million terminal is finally open after two years of construction. Changes at the airport include an elevated roadway, shorter walkways, larger baggage carousels, an additional baggage carousel, and new shops, including The Outpost Café and CNBC News Store. In addition, the ticket lobby and access to concourses were revamped. The old terminal will be torn down and

an addition to the new terminal will be built in its place. The new addition will house security checkpoints, a food court, and additional retail stores. Most of the work on the second phase will be completed within the next two years, but the entire phase will not be completed until 2010.

- Batteries Plus recently opened a retail outlet in Boise on South Cole Road, across from Costco. The franchise is based in Wisconsin and sells common and not-so-common batteries. The 1,600-square-foot store employs four and besides selling a number of batteries, it also offers reconditioning and rebuilding services for old batteries.
- Construction started on Meridian's new fire station located at 3545 North Locust Grove Road. It is the third new fire station built in Meridian in the last four years. The new station is expected to open in December and will serve the area between Fairview Avenue, Chinden Boulevard, the Boise city limits, and Linder Road.
- The Meridian Parks Department recently announced a plan to fix a parcel of land (about a half-acre) for a new downtown park. The new park will be located at the corner of East Third Street and Idaho Avenue and will be adjacent to the Meridian Boys & Girls Club. The new park will be tentatively named Centennial Park in honor of Meridian's 100th anniversary of incorporation.
- Boise State University (BSU) West Campus recently completed construction on its Technology and Entrepreneurial Center (TECenter). The new small business incubator provides space and assistance for new businesses and is currently looking for tenants. The TECenter will eventually help about 30 businesses by providing space and a number of services, including market research and identification of investors. For more information on the TECenter, contact John Glerum, director of BSU's TECenter.
- Albertson College of Idaho (ACI) announced more staff cuts in early June. Fourteen employees were laid off and the college also plans to eliminate its laptop computer program in an effort to alleviate some of its multi-million-dollar budget shortfall. In addition to the layoffs, ACI President Kevin Learned announced his resignation; the board of trustees announced in early July that Robert Hoover, former president of University of Idaho, would take over as president of the small liberal arts college.
- The Academy of Professional Careers announced in early June that it had leased 9,347-square feet of space in Nampa. Officials state that an opening is planned for early fall 2003. The academy trains people for a variety of careers including medical and dental assistants, pharmacy technicians, and massage therapists. In addition the school wants to add a legal-secretary curriculum. The new Nampa facility will include massage therapy, and medical and dental assistant programs.
- The new Nampa Hampton Inn & Suites is nearing completion and is expected to open September 1, in time for the Idaho Cutting Horse Futurity, allowing spectators and participants to stay at the facility. The four-story, \$7.8 million, 101-room facility is located near the Idaho Center in North Nampa and includes 4,000-square feet of conference room space.
- The City of Nampa issued a building permit to Lowe's in mid-June. Lowe's, a retail home improvement company, plans to build a \$7.3 million store that will be located at 1400 Caldwell Boulevard in Nampa. The new store will employ about 175 people. Construction is expected to be completed in November and officials plan to open the retail store in January 2004.
- Other recent business openings in the Boise City MSA includes a new 26,000-square-foot Kia dealership at 3020 East Cleveland Boulevard in Caldwell, a new Goodwill thrift store at 1105 Caldwell Boulevard in Nampa (the former Carpet Masters location), and a new Gold's Gym in Nampa at 2111 North Cassia Street in the Edwards Theatre complex.
- In other recent business happenings in the Boise City MSA, WGI was awarded a \$300 million contract in a joint venture with Bechtel National Inc. and Parsons Infrastructure and Technology to design, build, and operate a plant to destroy chemical weapons at the Blue Grass Army Depot in Kentucky; the Canyon Medical Health Credit Union started construction on a new office at 404 Holly Street in Nampa; the Book Nook, located at 705 12th Avenue in Nampa, started an expansion project that would quadruple the size of the current business, and is expected to finish by September; Shalom House, a shelter for victims of domestic violence in Caldwell, announced that it would open by September 1; the Car Park, a new parking company in Boise, has recently purchased ten Treasure Valley parking locations op-

erated by AMPCO System Parking in Boise; Boise Bagel Café announced plans to open in early August in the Ram Plaza in east Boise; ProClarity was awarded the 2003 Special Recognition Retail Application Developer Award for “greatest business impact” for the second time; and site preparation has begun on the land that is the new site of the Ahavath Beth Israel synagogue in Boise. The land is located on the Boise Central Bench and will be home to new buildings as well as the synagogue that will be moved in fall 2003 from its current location in downtown Boise.

Gem County

- In early June, Gem County celebrated its annual Cherry Festival. The five-day festival included a carnival, beauty pageant, a fun run/walk, an art fair, quilt show, parades, softball games, food courts, a pancake feed, entertainment, and, of course, cherry pie eating contests.
- Recent business news in Gem County includes the reopening of Jack-N-Jill Consignments at its new downtown location at 142 West Main Street in Emmett, and the opening of the new 51,000-square-foot Albertsons Grocery Store at the intersection of Highway 16 and South Johns Avenue in Emmett. A fire at the K & R Furniture building in Emmett destroyed the furniture company’s building and several businesses including The Double Dip and a hospice care center. K & R Furniture had recently closed its business.

Payette County

- Payette County Commissioners changed a zoning designation in New Plymouth that will allow the New Plymouth Assembly of God Church to build a new facility in the area. The new church will be located on U.S. Highway 30, 200 feet east of Adams Road. Construction on the facility is expected to begin this summer.
- A Farmer’s Market will open at the site of the former Maple Tree Fruit Stand on the corner of First Avenue South and U.S. Highway 95 in Payette. The Farmer’s Market will be open every Thursday from 4:00 to 7:00 p.m. through October. Funds earned from the Maple Tree Farmer’s Market will be used for Rose Advocates to build a shelter on the site for victims of domestic violence .
- Other recent business happenings in Payette County include the opening of Dolphie’s Pizza House, located at Gayway Junction in Fruitland,

and the announcement that Malheur Federal Credit Union will open a branch at 455 South 16th Street in Payette.

Valley County

- Tamarack announced in mid-June that it had already received reservations for home lots on its property and would start a multi-state tour to promote the resort. The announcement was made at a gathering of realtors, appraisers, and employees of title companies who were in the area to preview the resort. Tamarack will release 62 home sites and 20 townhouse sites for sale this year.
- The J.P. Bartholomew Company & The Squirrel’s Nest opened in May. Both are retail stores located in a shop in the courtyard located at 102 North Third Street in McCall. The J.P. Bartholomew Company sells country store advertising items while The Squirrel’s Nest specializes in cabin décor with Western and outdoors themes. The businesses are open from 11:00 a.m. to 5:00 p.m. Wednesday through Saturday and from 11:00 a.m. to 3:00 p.m. on Sunday.

Washington County

- The National Oldtime Fiddlers’ Contest and Festival celebrated its 51st anniversary this year in mid-June. More than 350 fiddlers played in various competitions and more than 1,100 volunteers monitored the festival that featured cow pie bingo, karaoke, high-tech virtual fiddling, a carnival, retail booths, entertainment, and a bikers rodeo, in addition to the thousands of fiddlers and spectators that lined the streets of Weiser.

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MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

EMPLOYMENT TRENDS

The seasonally adjusted unemployment rate for the Magic Valley Labor Market Area was 3.6 percent for May 2003 as shown in Magic Valley Table 1. This was six-tenths of a percentage point lower than April 2003, and also six-tenths of a percentage point lower than May 2002. *Civilian Labor Force* was 7.0 percent higher year-over-year with an additional 3,540 persons. This unemployment rate was one of the lowest in the entire state of Idaho. Even with the increase in *Civilian Labor Force* there was also a 9.9 percent drop in the number of persons unemployed.

Sectors that showed significant increases from May 2002 were *Construction*, *Manufacturing*, *Transportation*, and *Educational & Health Services* with increases of 28.5, 13.5, 11.1, and 20.7 percent, respectively. The only sectors that had declines from last year are *Wholesale Trade* (-1.6 percent) and *Education* (- 8.7 percent). The entire Magic Valley LMA showed an increase of 5.3 percent in *Nonfarm Payroll Jobs* over the year. This is the largest May year-over-year gain in Idaho, which translates into 2,080 additional jobs.

Some extraordinary events occurred in 2002. Dell Computer Company opened in the former Albertsons on Poleline Road, and eight new retail, eating, and banking establishments opened on the canyon rim. Dell now employs over 700 persons, and about 400 new retailing and service jobs were created from the other new businesses. This growth has been remarkable given the condition of the national and state economy. The City of Twin Falls set a record for new housing starts in 2002 and is on record pace again in 2003. This has been fueled somewhat by extremely low interest rates, but there has also been significant in-migration. Two new major retailers, Best Buy and Sportsmen's Warehouse, are planning to open outlets in Twin Falls in the next few months and this will create approximately 200 full- and part-time retail jobs. Residential and

Magic Valley Table 1: Labor Force & Employment
Twin Falls, Jerome, and Gooding Counties

	May 2003*	April 2003	May 2002	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	54,030	53,650	50,490	0.7	7.0
Unemployment	1,920	2,280	2,130	-15.8	-9.9
% of Labor Force Unemployed	3.6	4.2	4.2		
Total Employment	52,110	51,370	48,360	1.4	7.8
Unadjusted					
Civilian Labor Force	54,260	53,060	50,740	2.3	6.9
Unemployment	1,800	2,180	1,970	-17.4	-8.6
% of Labor Force Unemployed	3.3	4.1	3.9		
Total Employment	52,460	50,880	48,770	3.1	7.6
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	41,570	41,430	39,490	0.3	5.3
Goods-Providing Industries	8,070	7,700	6,860	4.8	17.6
Natural Resources & Mining	30	30	30	0.0	0.0
Construction	2,480	2,060	1,930	20.4	28.5
Manufacturing	5,560	5,610	4,900	-0.9	13.5
Food Manufacturing	3,600	3,650	3,050	-1.4	18.0
Other Manufacturing	1,960	1,960	1,850	0.0	5.9
Service-Providing Industries	33,500	33,730	32,630	-0.7	2.7
Trade, Transportation & Utilities	10,150	10,100	9,850	0.5	3.0
Wholesale Trade	1,810	1,810	1,840	0.0	-1.6
Retail Trade	5,930	5,890	5,820	0.7	1.9
Utilities	210	200	210	5.0	0.0
Transportation & Warehousing	2,200	2,200	1,980	0.0	11.1
Information	500	500	500	0.0	0.0
Financial Activities	1,870	1,770	1,660	5.6	12.7
Professional & Business Services	5,120	5,120	4,880	0.0	4.9
Educational & Health Services	3,620	3,600	3,000	0.6	20.7
Leisure & Hospitality	3,640	3,450	3,550	5.5	2.5
Other Services	1,490	1,430	1,390	4.2	7.2
Government Education	3,460	3,580	3,790	-3.4	-8.7
Government Administration	4,150	4,180	4,010	-0.7	3.5

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

heavy construction has caused a significant percentage increase in construction jobs and there appears to be no possibility of a downturn in the short term. Twin Falls especially is increasingly becoming a regional retail hub for South Central Idaho and northern Nevada. With the addition of many new retailers, Twin Falls is seeing much less "leakage" to Boise for retail needs that Twin Falls did not have, and this has helped stimulate the local economy and keep the dollars circulating in this area. The area has not remained totally unscathed from negative economic pressure, however. The Magic Valley LMA will see the loss of 108 full-time jobs at Moore North American as that company closes its Jerome facility in July.

The Mini-Cassia area will continue to see high unemployment for some period of time, and the contrast with the western Magic Valley is very pronounced. The area typically has a volatile and fluctuating unemployment rate because potato processors often have maintenance layoffs that can

cause occasional large upswings. These are frictional and expected. However, with large permanent or indefinite layoffs a "ratchet effect" takes place. This is where upswings in the unemployment rate become chronic and rates do not return to pre-layoff numbers even after expected maintenance layoffs are over. An additional 50 workers were permanently displaced from the J.R. Simplot Company in June as that facility continues to phase out toward an expected April 2004 closure date. McCain Foods is also displacing 125 workers indefinitely in the near future. This has caused expected stress to the local economy; however, the effect so far has been slightly less negative than expected in market-driven sectors such as retailing and services.

Voters in Burley recently passed a \$25 million sewer bond that will increase Burley's wastewater capacity to five million gallons. The construction phase of that project will create approximately 100 new construction jobs for two years with resulting economic benefits. This will also improve economic development prospects since the city infrastructure will now be able to handle virtually any company's wastewater needs. It is expected that the Mini-Cassia economy will slowly improve over the next few years as the state and national economies improve.

The Blaine County area, which includes Sun Valley and Ketchum, had a below average ski season. This was caused by terrorism fears and the war in Iraq, resulting in decreased travel in general nationwide. However, early spring and summer figures show that tourism is picking up and this is reflected in the number of persons at the visitors' centers. This is actually occurring in all of South Central Idaho. The slight drop off in numbers during ski season did not result in higher unemployment as the number of persons working remained stable in that area. *For more information on tourism in South Central Idaho, see the FYI article on page 21.*

Finally, agriculture in all of South Central Idaho has remained about average. Employment numbers are stable and crop prices are close to average. There is some concern about an over supply of potatoes with the announcement that Canada has 52 million hundredweight more potatoes than last year and potato processors have scaled back their contracts. Potato farmers will have to rely on an open market that can be very volatile. Dairy prices have been low but upward movement in dairy futures prices would seem to indicate that the price drop has "bottomed out" and will start rising again.

MAGIC VALLEY: Low Unemployment Rate, Yet Plentiful Labor

One perplexing question businesses ask when they consider locating in the western Magic Valley is, how can there be a plentiful labor supply when the unemployment rate is so low? The answer lies with three phenomena that are prominent in this area. First, wages tend to be low in this area of the state. The average wage is approximately \$10.00 per hour in the seven counties other

than Blaine County since many of the jobs tend to be service sector-related. The livable wage has been calculated at approximately \$15 per hour (in Blaine County it is over \$20 per hour), according to a wage gap study conducted by the Idaho Department of Labor. This results in wage underemployment or a wage gap of approximately 33 percent. This often necessitates multiple incomes for families to meet obligations; one person in the family has more than one job or two or more persons in the household work. Second, it is estimated that only 65 percent of the workforce in South Central Idaho receive any benefits such as health insurance and retirement. This leaves many families vulnerable to medical costs and other extraordinary expenses. Third, to a lesser degree, there are workers with high skills or education that, due to a shortage of professional jobs, are underemployed. All three of these factors make a workforce that is eager for change and excited about new job prospects, especially if those jobs include benefits. In some cases, workers will even take less money for jobs that include benefits or full-time work.

Applicant behavior is consistent with regard to wage and benefits. Jobs that pay minimum wage (\$5.15 per hour) up to \$8.00 per hour are subject to the normal supply and demand situation expected in a low unemployment area, especially if no benefits are involved. In those cases, businesses seldom have more than one applicant for every job. There are some exceptions if the business is a known entity and offers benefits. However, as the wage increases to over \$8.00 per hour with benefits, the results are astounding. Over the past ten years, such jobs in the Magic Valley have resulted in four to ten applicants for every job. In many cases, there have been as many as 30 applicants for every job. Thus far, this separation point has held true, and the trend is more pronounced as wage rises with many different types of employers. Such companies as Dell, Costco, Home Depot, Wal-Mart, WestFarm Foods, and Solo Cup, have all had ample job applicants.

Virtually every employer that pays good wages and benefits remark that the work ethic of the South Central Idaho workforce is excellent. In the case of national businesses, many remark that the work ethic and trainability of this area's workforce is the best they have seen in the nation. That reputation has led to Magic Valley's economic diversification and strength in good times as well as the present difficult economic times that exist.

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SOUTHEAST IDAHO

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA, & POWER COUNTIES

EMPLOYMENT TRENDS

The Pocatello Metropolitan Statistical Area's (MSA) seasonally adjusted unemployment rate fell two-tenths of a percentage point in May 2003 to 5.0 percent from the April 2003 revised rate of 5.2 percent. As school ended, college and high school students entered the labor force to find summer jobs and increased the *Civilian Labor Force* by 160 individuals, from 41,050 in April 2003 to 41,210 in May 2003. Agriculture and the summer construction, retail, and tourism season contributed to an increase in the number of employed individuals. Southeast Idaho Table 1 shows employment increased by 210 to 39,130 from April to May 2003, while the number of unemployed individuals decreased by 50 to 2,080. From May 2002, the MSA's seasonally adjusted unemployment fell nine-tenths of a percentage point from 5.9 percent in May 2002 to 5.0 percent in May 2003. The unemployment rate jumped in early 2002 because the Astaris/FMC closure displaced hundreds of workers. Since then many of the former Astaris/FMC workers, and other construction workers who were displaced by the Astaris/FMC closure, have found employment and the unemployment rate dropped.

Because school districts and Idaho State University prepared to end the 2002-2003 school year, the number of *Nonfarm Payroll Jobs* fell eight-tenths of a percentage point, by 280 jobs, from 33,820 in April 2003 to 33,540 in May 2003. The drop occurred mainly in the *Service-Providing Industries* in *Government Education* (-460). Small reductions also occurred in *Wholesale Trade* (-10) and *Retail Trade* (-50), but fluctuations in those sectors are normal this time of year. Increased construction activity contributed to a net gain of 50 jobs in the *Goods-Producing Industries* in May 2003 over April 2003. From one year ago, *Nonfarm Payroll Jobs* increased one percentage point from 33,220 in May 2002 for a gain of 320 jobs. Gains occurred in both the

Southeast Idaho Table 1: Labor Force & Employment
Pocatello City MSA (Bannock County)

	May 2003*	April 2003	May 2002	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	41,210	41,050	39,020	0.4	5.6
Unemployment	2,080	2,130	2,320	-2.3	-10.3
% of Labor Force Unemployed	5.0	5.2	5.9		
Total Employment	39,130	38,920	36,700	0.5	6.6
Unadjusted					
Civilian Labor Force	41,300	41,680	38,970	-0.9	6.0
Unemployment	1,980	2,140	2,260	-7.5	-12.4
% of Labor Force Unemployed	4.8	5.1	5.8		
Total Employment	39,320	39,540	36,710	-0.6	7.1
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	33,540	33,820	33,220	-0.8	1.0
Goods-Producing Industries	4,480	4,430	4,270	1.1	4.9
Natural Resources & Mining	10	10	20	0.0	-50.0
Construction	1,840	1,780	1,590	3.4	15.7
Manufacturing	2,630	2,640	2,660	-0.4	-1.1
Food Manufacturing	430	430	470	0.0	-8.5
Fabricated Metal Product Manufacturing	140	140	110	0.0	27.3
Machinery Manufacturing	40	40	30	0.0	33.3
Other Manufacturing	2,020	2,030	2,050	-0.5	-1.5
Service-Providing Industries	29,060	29,390	28,950	-1.1	0.4
Trade, Transportation & Utilities	6,640	6,700	6,650	-0.9	-0.2
Wholesale Trade	1,050	1,060	1,050	-0.9	0.0
Retail Trade	4,320	4,370	4,350	-1.1	-0.7
Utilities	50	50	50	0.0	0.0
Transportation & Warehousing	1,220	1,220	1,200	0.0	1.7
Information	690	670	690	3.0	0.0
Financial Activities	1,720	1,720	1,840	0.0	-6.5
Professional & Business Services	3,390	3,400	3,280	-0.3	3.4
Educational & Health Services	2,700	2,670	3,060	1.1	-11.8
Leisure & Hospitality	3,400	3,270	3,130	4.0	8.6
Other Services	1,250	1,280	1,190	-2.3	5.0
Government Education	5,050	5,510	5,500	-8.3	-8.2
Government Administration	4,230	4,180	3,620	1.2	16.9

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Goods-Producing Industries (210) and the *Service-Providing Industries* (110). In the *Goods-Producing Industries*, large gains in *Construction* jobs (250) outpaced slight decreases in *Manufacturing* (-30). Changes in hiring patterns (increased use of business services such as temporary staffing agencies) and category changes because of two hospitals that merged in the area created significant job movement between *Financial Activities*, *Services*, *Recreation*, and *Government Administration* from last year but overall the number of *Service-Providing* jobs remained similar.

AREA ECONOMIC DEVELOPMENTS

Please note: Information contained in *Economic Developments* is obtained from area newspapers, local Job Service offices, trade publications, local area Chambers of Commerce publications, and other sources.

Bannock County

- The Idaho State Journal, 305 South Arthur in Pocatello, finished the last phase of its three-phase construction project, which began in late 2001. The \$4.1 million project started with the construction of a new printing facility in Preston, a joint production facility used by the Journal and its sister paper, The Harold Journal in Logan, Utah. Since the print operation was moved out of the Pocatello facility, the entire facility has been remodeled in phases so that operations could continue. The project was completed in June and an open house and tour will be held at a later date.
- Some site preparation work has begun on the new Rendezvous Center at Idaho State University. The project is expected to take approximately three years to complete and will begin with demolition of the old East Hall. Site preparation and excavation should continue through the end of 2003. In spring 2004 construction of the building should begin with completion by January 2007. The 256,000-square-foot facility will serve three functions: centralized classrooms, student housing, and central food service. Over the three-year construction phase, the \$34 million project is expected to employ approximately 500 workers.
- The Southeast IdahoWorks Board has awarded a \$55,000 grant to the Idaho State University College of Technology to create Internet classes for a two-year Associate Degree Nursing program. The grant was awarded to help deal with the current nursing shortage in Idaho.
- Old Town Pocatello will lose two major businesses this summer. Penguin Plumbing, located at 525 South Main Street will close after 26 years in Pocatello. The business will liquidate its current stock and close by mid-summer. Another anchor business in Old Town, Carol's, located at 200 South Main will also close. Businesses owner Carol Leiby is retiring.
- SME Steel Contractors laid off 42 workers from its Pocatello facility at the Gateway West Industrial Park. The business said the reduction in staff occurred because the company did not get a contract it had anticipated. The company, based in Jordan, Utah, moved part of its operation to Pocatello during the construction boom in Utah prior to the Olympics. The business fabricates steel for large construction projects such as department stores, casinos, and entertainment arenas.

Bingham County

- Bechtel officials have announced that between 150 and 300 workers at the Idaho Nuclear Engineering and Environmental Laboratory (INEEL) will be laid

off this summer. The company began to reorganize its operation at the INEEL into two separate organizations to meet the Department of Energy's separate mission for waste clean-up and nuclear research in March 2003, prompting the announced lay offs.

- Edward Jones Investments moved to a new location at 185 Alder Street. The new location provides increased workspace for the business, which is operated by Neil and Mike Anderson.
- Several road construction projects will be done in Bingham County this summer. The Interstate 15 Snake River Bridge construction project is underway and should be completed by September 2003. Work is also underway on the Snake River Bridge near Firth. The bridge and roadway should reopen by the end of July. The Blackfoot and Cedar Point canal bridges on U.S. Highway 91 should be replaced this year.

Caribou County

- Work has begun on the Soda Springs downtown renovation project. The project includes curb and gutter installation, asphalt replacement, and the installation of trees and benches. The work will take place in the area of Seventh, Eighth, Ninth, and Tenth Streets in Soda Springs.
- A natural gas pipeline expansion is underway in Caribou County. The pipeline expansion will pass south of Soda Springs, north of the Alexander reservoir, and across the golf course. The entire project extends from Green River, Wyo., to Pocatello at a cost of \$158 million.
- Caribou County received two grants totaling \$60,500, provided by the Idaho Department of Parks and Recreation. One grant will be used to build a recreational vehicle park and new restrooms/showers at the county fairgrounds; the other grant will be used to build trailer parking in Ant Canyon and along the Blackfoot River Road for people visiting the area.

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NORTHEAST IDAHO

BONNEVILLE, BUTTE, CLARK, CUSTER, FREMONT, JEFFERSON, LEMHI, MADISON, & TETON COUNTIES

EMPLOYMENT TRENDS

The seasonally adjusted unemployment rate for the Bonneville Labor Market Area (LMA) decreased two-tenths of a percentage point over the month to 3.6 percent in May as seen in Northeast Table 1. Individually, all four counties in the LMA saw slight rate decreases, with the exception of an increase of 1.0 percentage point in Butte County to 5.5 percent. Year-over-year, the LMA rate also decreased two-tenths of a percentage point. The individual counties all showed decreases except for Butte County, which experienced an increase of 2.0 percentage points. As stated in last month's issue of *Idaho Employment*, it does not take a large number change to cause a large percentage change in Butte County's unemployment statistics. With recent layoffs at the Idaho National Engineering & Environmental Laboratory (INEEL) and over the year, it was not surprising to see the increase.

In the other Northeast Idaho counties that are not part of the LMA, three counties saw larger decreases over the month: Fremont, Lemhi, and Teton Counties all experienced a 1.0 percentage point decrease or more in the unemployment rate. Teton County is finally showing a rate more reflective of 2001 rates before the September 11 events started affecting the national economy and tourism. Year-over-year, all but Clark County experienced decreases. Idaho Falls, the largest city in Northeast Idaho and the LMA, showed a decrease of four-tenths of a percentage point in the unemployment rate over the month and a decrease of three-tenths of a percentage point from one year ago.

Nonfarm Payroll Jobs in the LMA increased by almost 1,200 jobs over the month. *Construction*, *Retail Trade*, *Professional & Business Services*, *Leisure & Hospitality*, and *Government Administration* all increased more than 100 jobs, with

Northeast Idaho Table 1: Labor Force & Employment
Bonneville, Bingham, Butte, and Jefferson Counties

	May 2003*	April 2003	May 2002	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	83,640	83,260	83,190	0.5	0.5
Unemployment	3,010	3,180	3,200	-5.3	-5.9
% of Labor Force Unemployed	3.6	3.8	3.8		
Total Employment	80,620	80,080	79,990	0.7	0.8
Unadjusted					
Civilian Labor Force	83,590	81,950	83,410	2.0	0.2
Unemployment	2,490	2,930	2,690	-15.0	-7.4
% of Labor Force Unemployed	3.0	3.6	3.2		
Total Employment	81,100	79,030	80,720	2.6	0.5
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	63,550	62,360	63,330	1.9	0.3
Goods-Producing Industries	10,380	9,940	9,660	4.4	7.5
Natural Resources & Mining	70	70	80	0.0	-12.5
Construction	4,980	4,590	4,460	8.5	11.7
Manufacturing	5,330	5,280	5,120	0.9	4.1
Food Manufacturing	2,680	2,690	2,800	-0.4	-4.3
Fabricated Metal Product Manufacturing	290	290	260	0.0	11.5
Machinery Manufacturing	470	460	420	2.2	11.9
Other Manufacturing	1,890	1,840	1,640	2.7	15.2
Service-Providing Industries	53,170	52,420	53,670	1.4	-0.9
Trade, Transportation & Utilities	13,970	13,850	14,630	0.9	-4.5
Wholesale Trade	4,760	4,750	5,150	0.2	-7.6
Retail Trade	7,390	7,280	7,820	1.5	-5.5
Utilities	100	100	100	0.0	0.0
Transportation	1,720	1,720	1,560	0.0	10.3
Information	820	830	970	-1.2	-15.5
Financial Activities	2,080	2,050	2,100	1.5	-1.0
Professional & Business Services	11,620	11,460	11,810	1.4	-1.6
Educational & Health Services	6,330	6,250	5,980	1.3	5.9
Leisure & Hospitality	4,830	4,660	4,830	3.6	0.0
Other Services	2,260	2,240	2,290	0.9	-1.3
Government Education	5,160	5,140	5,210	0.4	-1.0
Government Administration	6,100	5,940	5,850	2.7	4.3

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Construction experiencing the largest increase at 390 jobs. Both residential and commercial construction remains strong, especially in Jefferson and Bonneville Counties. *Information* was the only industry showing job losses over the month with companies either cutting call center contracts or internalizing the work instead of contracting it out. Year-over-year, *Nonfarm Payroll Jobs* increased by 220 jobs with gains in *Construction* (520 jobs), *Manufacturing* (210 jobs), *Educational & Health Services* (350 jobs), and *Government Administration* (250 jobs) outweighing losses in *Trade, Transportation & Utilities* (660 jobs), *Information* (150 jobs), and *Professional & Business Services* (190 jobs). These three industries can attribute losses to the national economic trends over the year.

AREA DEVELOPMENTS

Bonneville County

- The Artic Circle on the corner of Hitt Road and First Street in Idaho Falls is scheduled to open July 23. Owner Dave Lenon plans to hire 30 to 35 people in addition to his staff of 13 from the former First Street location, which has already been closed. Financial issues held up the opening of the new building that has been under construction for close to a year. The new location includes a large play area and equipment for children.
- World Gym in Idaho Falls moved down the street from its original location at the former Lamont's building on North Yellowstone Avenue only months ago, but will now be moving back. Now under new management (Saratoga Management), a leasing agreement was made with Developers Diversified Realty to return to the former location. The gym will add new exercise equipment and will remodel the space to add a front counter and lounge area. World Gym also purchased a license from Apex Fitness Group to run their exercise and nutrition program.
- Records Management, a subsidiary of Security Connections, Inc. of Idaho Falls, is building a second storage facility next to its existing facility on International Way. The state-of-the-art records management facility will add 15,000-square feet of storage capacity and is scheduled for completion in October. The company stores and manages medical, government, legal, and business records, along with providing support services for each industry. The records stored there can be imaged and made available on a secure website for customer viewing on local desktops with the "Scan on Demand" program. These reports and images are made available around the clock. Pick up and delivery services are also offered. The company has existed in Idaho Falls for the past nine years.
- Chris Hertz has been named president and CEO of the Eastern Idaho Economic Development Council (EIEDC). He has been acting president for the council since May when president Jim Bowman was placed on administrative leave. Hertz has an impressive work history, which includes being an architect, the public affairs manager at the INEEL, project manager for CH2M Hill, acting president and now CEO of EIEDC. Hertz has set two goals for the council: help existing businesses in eastern Idaho, and aggressively pursue companies that might want to relocate to the area. He strongly believes in teaming up with economic development leaders in the area (Rexburg through Pocatello and

beyond) to promote the area and the Technology Corridor, just as Bowman did as president.

Jefferson County

- Rigby claims a new employer—1-877-FILECARD—that allows clients to safely store personal information and then retrieve it at any time of day anywhere in the world via the Internet. The services are in great demand from a variety of people who want access to this information while away from home. Such information might include PIN numbers, credit card numbers, safe combinations, expiration dates, and passwords. This information would also be available in the case of fire or flood or robbery. The information is encrypted and stored in a computer-based system. The cost is \$12 per year for 10 items and \$2 for each additional item.

Lemhi County

- Elderhostel, a non-profit travel organization for older adults, recently provided a great service to the Sacajawea Center in Salmon. The group of 29 people each paid \$500 to work, and work they did. They built a bridge, arbors, benches, and fences; they pruned, weeded, and planted trees; they remodeled an old barn that will become the community theater, with hired teenage help. Group members say their momentum and energy comes from other people who appreciate their work, and they were happy to help the community in their selfless endeavors. It also helped the community prepare the interpretive center for its grand opening in August. The volunteer workers of Elderhostel make it a practice to be of service while vacationing throughout the United States and abroad. This group was comprised of retired people from all walks of life, including engineers and electricians. The group was able to enjoy some recreation in the area after their six-hour work days by taking a scenic float trip on the Salmon River, taking a guided horseback ride, and visiting the local museum. Besides helping the Salmon area, the group has revegetated areas in the Grand Canyon, tutored on a New Mexico American Indian reservation, and worked on a historic preservation project at Glacier National Park. For more information about the group, visit www.elderhostel.org or call (406) 683-7537 at the University of Montana-Western.

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TOURISM IN SOUTH CENTRAL IDAHO

BACKGROUND

Most travelers on Interstate 84 in South Central Idaho might think that they are driving through a non-descript area consisting of farmland and high desert sagebrush. These travelers would see mountains in the distance on both sides of the freeway and might think little more about it. They would not know that they are driving through one of the most fascinating and diverse areas in the United States with unbounded scenic beauty and recreational opportunities. South Central Idaho has unique geology and archaeology unmatched just about anywhere. South Central Idaho, which consists of Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka, and Twin Falls Counties, is home to many state parks, national monuments, and reserves (see FYI Figure 1: Map of South Central Idaho). Elmore County, which is adjacent to Gooding County and is often included in South Central Idaho, has two state parks.

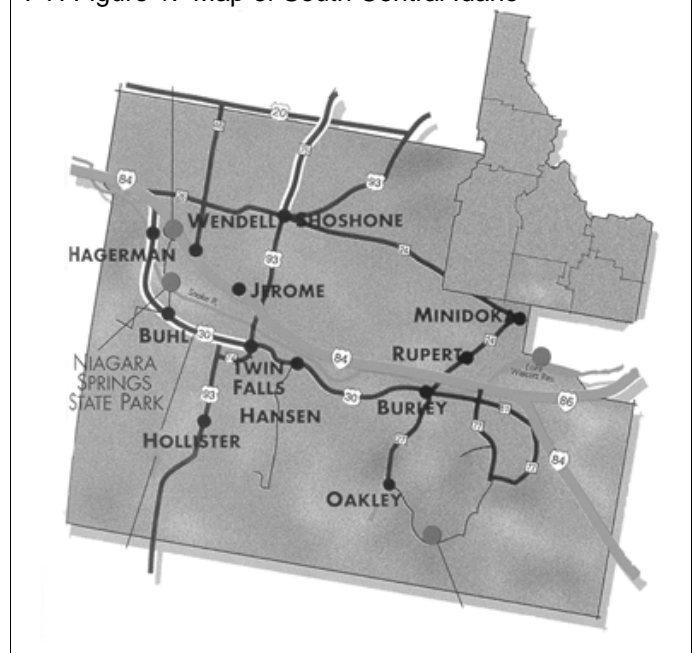
The incredible diversity of South Central Idaho is extremely unique. In Blaine County, to the north, is the world famous Sun Valley ski resort that is a highly sought destination in both winter and summer months. The Sun Valley area boasts beautiful mountain scenery and some of the best skiing conditions in the world. There are also many annual winter and summer events, such as Western Days and the Trailing of the Sheep in warm months, and the beautiful torchlight procession on Christmas Eve. Every year many Olympic medalists figure skate at the Sun Valley resort's outdoor ice rink. For the outdoor enthusiast there is fishing, hiking, hunting, cycling, and horseback riding.

South Central Idaho is the gateway to the Great Rift, a geological phenomenon that consists of a volcanic lava flow, over sixty miles long, which culminates in the Craters of the Moon National Monument near Carey. Other geologic attractions are the City of Rocks State Park in Cassia County with magnificent rock formations that provide world-class rock climbing challenges. For history buffs the Three Island Crossing State Park is where settlers on the Oregon Trail had to decide whether to ford the treacherous Snake River or take a dry and rocky route to Oregon. Parts of the Oregon Trail still can be seen in many parts of South Central Idaho. Farther west in Elmore County is the amazing Sahara-like Bruneau Dunes State Park, which has the highest single-structured sand dune in North America. For archaeologists and paleontologists, the Hagerman Horse Fossil

Bed National Monument provides some of the best horse fossil remains in North America. Throughout South Central Idaho, the Snake River provides many exciting recreational opportunities. In Burley, the annual boat regatta offers world-class boat racing. Near Twin Falls, Shoshone Falls rises higher than Niagara Falls, and in certain times of the year when water is plentiful, the falls are awe-inspiring in their power and majesty. Many river tours near Twin Falls take boating enthusiasts to the base of the falls and under the majestic Perrine Bridge that spans the Snake River at the City of Twin Falls. Many times during the year BASE (Buildings, Antenna, Spans, Edifice) jumpers test their nerve by jumping off the Perrine Bride into the mighty Snake River Canyon where the Snake River flows more than 400 feet below.

And so those travelers who think they are passing through a nondescript high desert land on the freeway need only to stop and spend some time in an area that has an enchanting bit of excitement for everyone no matter what their interests. History to hunting, archaeology to geology, young or old, South Central Idaho is a land of surprises with memories to last a lifetime.

FYI Figure 1: Map of South Central Idaho



ECONOMIC IMPACT OF TOURISM ON IDAHO

Tourism has a tremendous effect on the general Idaho economy and accounts for a significant percentage of the overall state income. It is difficult to determine the actual dollar amount tourism generates because some businesses, such as restaurants, food stores, and convenience stores, are involved with tourism, but also serve other sectors of the economy. However, in the 12-month period of 1999-2000, it is estimated that as much as \$2.08 billion dollars were spent on tourism activities in Idaho. Also during that time period, travel spending by pleasure and business motor vehicle travelers directly generated 42,453 full- and part-time jobs with a payroll of \$562 million. Many of these jobs were seasonal, but some were permanent jobs. (Source: Idaho Department of Commerce.) Each payroll dollar is multiplied in the economy as the dollars are spent by workers and businesses for various personal and business needs. A conservative money multiplier for Idaho is 2.2. Therefore, the overall economic impact from payroll dollars alone during that time period was \$1.24 billion. Region 3, which is Southwestern Idaho including Boise, had the greatest direct job creation in 1999-2000 with 12,460 jobs generated by tourism.

The state and local tax revenue generated through tourism income is often overlooked. Sales tax provides significant income to the Idaho state government as well as taxes on personal and corporate income receipts. Motor fuel taxes are also important to state revenue. Local Option Taxes (LOTs) charged on hotel and motel accommodations generate important income for municipalities. Estimates indicate that over \$150 million in tax revenues were generated in 1999-2000 from tourism-related activities. (Source: Idaho Department of Commerce.) Tourism overall is a huge contributor to state revenue and tourism-related businesses, and it is vital that Idaho continue to be aggressive in marketing the state's magnificent opportunities for tourists.

CHARACTERISTICS OF IDAHO TOURISM

There are many areas of Idaho that are tourism destination areas, such as West Yellowstone and Henry's Lake in Regions 5 and 6, Sun Valley in Region 4, Boise and McCall in Region 5, Lewiston-Moscow-Orofino in Region 2, and Coeur d'Alene and Sandpoint in Region 1. (See FYI Figure 2: Idaho Regions.) However, many areas of Idaho rely on motor vehicle traffic. FYI Table 1 shows percentage breakdowns on why people say they visit Idaho.

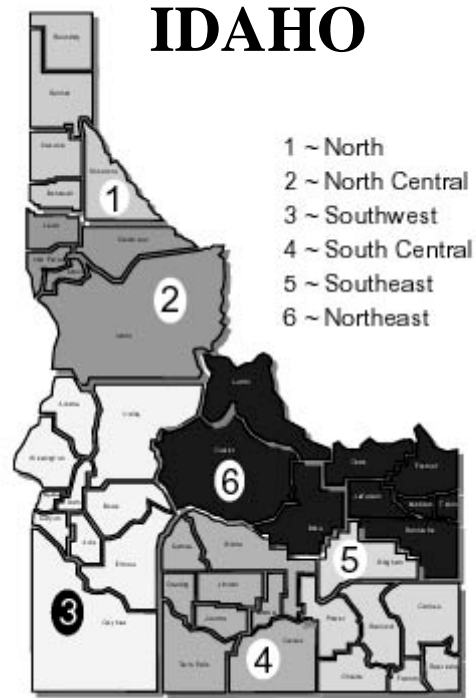
The activities that Idaho tourists undertake while in the state are listed in FYI Table 2.

Many businesses benefit from tourism and create jobs as a direct impact. These business sectors include Accommodations, Eating, Drinking, Food Stores, Recreation, Retail Sales, Ground Transportation, and Air Transportation. (Source: Idaho Department of Commerce.)

ECONOMIC IMPACT OF SOUTH CENTRAL IDAHO TOURISM

Although South Central Idaho (Region 4) does not have a large number of destination locations, tourism has a huge impact on the local economy. During the

FYI Figure 2: Idaho Regions



FYI Table 1: Reasons Why People Visit South Central Idaho

Reason	Percentage
Visiting friends/relatives	42%
Event Attendance	5%
Recreation	15%
Visiting attractions or natural areas	29%
Other	9%

(Source: Idaho Department of Commerce)

FYI Table 2: Activities of South Central Idaho Visitors

Activity	Percentage
Outdoor Recreation	43%
Shopping	33%
Sightseeing	29%
Dining	28%
Friends/Relatives	16%
Cultural	16%
Other Recreation	16%
Tours	9%
Relaxation	6%
Education	6%
Events	2%

(Source: Idaho Department of Commerce)

time period of 1999-2000, Region 4 had significant direct traveler spending, and the number of travelers was estimated at 1,057,772. Estimates of sales by types of businesses for that time period are shown in FYI Table 3.

FYI Table 3: Estimated Sales in South Central Idaho by Type of Business, 1999-2000	
Business	Sales in Dollars
Motel/Hotel, Cabin, Camping	\$18,008,000
Restaurants and Bars	\$27,298,000
Admissions & Fees	\$13,573,000
Retail Trade	\$29,911,000
Wholesale Trade	\$4,404,000
TOTAL	\$92,994,000
(Source: "Economic Impact of Travel Spending in Idaho", University of Idaho, September 2002)	

This is a direct impact on the economy of nearly \$100 million annually, which is a large portion of the overall economy.

The Idaho Department of Labor tracks employment numbers for occupations related to the tourism industry. In 2002, average employment in all sectors relating to tourism was 7,298 workers. The breakdown of these workers by occupation is shown in FYI Table 4.

FYI Table 4: Average Employment by Tourism Occupation for South Central Idaho, 2002	
Occupation	Number of Workers
Performing Arts	96
Museums, Historical Sites	29
Amusement, Gambling	681
Accommodations	1,707
Food Services, Drinking	4,786
TOTAL	7,298
(Source: Idaho Department of Labor, ES-202 report)	

For purposes of this article, retail jobs were not included. Since the focus is on South Central Idaho tourism, only occupations that are directly related to tourism are used for statistical significance and conservative accuracy. The average wage for tourism jobs in South Central Idaho is \$8.50 based on the 2002 *Occupational Wage Survey* produced by the Idaho Department of Labor and local office surveys conducted by the department's regional labor economist. Using 7,298 workers, the annualized estimated direct payroll impact is \$129,028,640. When the amount of money tourists spend at restaurants, hotels, etc., in the area (i.e., direct spending) is added to the payroll number, the direct impact to the Region 4 economy is \$222,022,640. Using the accepted money multiplier of 2.2 for the region, the dollar impact to the economy is shown in FYI Table 5.

This is a substantial annual impact upon the area. It is also an important revenue source that must be sustained to maintain stability, but also enhanced to create growth of the Region 4 economy.

FYI Table 5: Tourism's Dollar Impact on South Central Idaho's Economy, 2002	
Variable	Dollar Amount
Direct Spending	\$92,994,000
Payroll Impact	\$129,028,640
Direct Impact Subtotal	\$222,022,640
Money Multiplier 2.2 total	\$448,449,808

FYI Table 6: Reasons for Travel in South Central Idaho		
Reasons for Travel	Percentages*	Average Group Size
Business	7%	1
Pleasure	44%	2
Business & Pleasure	51%	2
Daily Affairs	49%	1
* These activities do not add up to 100% because some travelers participate in more than one of these activities while in the state.		
(Source: University of Idaho Travel Study)		

CHARACTERISTICS OF SOUTH CENTRAL IDAHO TOURISM

As mentioned before, South Central Idaho offers a great deal of diversity in its attractions. Sun Valley is a destination location and receives a good many tourists by air transportation. There are special flights through Horizon Airlines from California to the Hailey airport. Sun Valley also receives a great deal of motor vehicle traffic from the Interstate 84 exit in Twin Falls north on U.S. Highway 93 (a.k.a. Scenic Highway 75). Many Boise visitors exit the freeway in Mountain Home and drive through Fairfield to travel to Sun Valley. The Hagerman Valley receives significant motor vehicle traffic from either Twin Falls or from the Bliss exit on the freeway from the Malad Gorge State Park. The Mini-Cassia area offers the best access from Interstate 84 since the major city, Burley, is located by the appropriate exits.

Some demographics related to reasons for travel in South Central Idaho, provided in year-round averages, are shown in FYI Table 6.

Of those business and pleasure travelers who were passing through the region on Interstate 84, over 50 percent stopped at Twin Falls, and an average of 10 percent stopped in Burley. Most tourists in the lower six counties of Region 4 travel in the late spring or summer months. Of course, Sun Valley is busiest in the snow season of November through March. There are many activities in Blaine County during the summer that have smoothed out travel patterns there. The Hagerman area has strong tourism in spring and summer because much of its tourism is tied to boating and Snake River activities. The Mini-Cassia area hosts a boat regatta every June attracting many racers from all over the world. The City of Rocks draws rock-climbing enthusiasts, mostly in the warmer months. Some of the cities, primarily Twin Falls, will be celebrating their centennials in the next couple of years and these celebrations could bring several tourists to the area.

FYI Table 7: Tourism Related Jobs, by Service Sector

Arts & Entertainment	Museums, Historical Sites	Amusement, Gambling	Accommodations
Paid performers	Cashiers	Movie cashiers	Hotel/motel clerks
Theater managers	Tour guides	Snack box workers	Concierge
Lighting specialists	Historians	Projectionists	Housekeeping
Custodial	Custodial	Management	Accounting/bookkeeping
		Ticket takers	Human resources
		Custodial	Marketers
			Caterers
			Catering assistants
			Custodial
			Management

(Source: Idaho Department of Labor)

CHARACTERISTICS OF TOURISM-RELATED WORKFORCE

There are many different occupations and wage ranges within the businesses that relate to tourism. Typically these jobs are in the *Services* sector and are some of the fastest growing in the region. Service sector jobs typically have the lowest wages among occupations, averaging \$6.00-\$7.00 per hour for typical service occupations. When management and other administrative jobs are factored in, the average tourism wage is \$8.50 per hour or \$1.39 per hour less than the region average of \$9.89 per hour for all occupations. The Blaine County area has a serious shortage in service sector workers due to an extremely high cost of living and lack of affordable housing. The shortage of domestic applicants is so acute that several hundred foreign workers in the hospitality industry had to be hired under the H-2B program. Many tourism-related business people are self-employed. This is particularly true among some river rafters and outdoor guides.

Typical work sectors and a sample of individual occupations in each area are shown in FYI Table 7.

SUMMARY

Tourism is obviously an essential sector of both the Idaho economy in general and South Central Idaho in particular. The more than 7,000 jobs created by this sector represents close to 10 percent of the *Civilian Labor Force* in Region 4. If *Retail Sales* numbers were also factored in, well over 10 percent of the workforce would be shown to represent tourism. In Region 4, the influence of tourism impacts the economy with nearly \$500 million dollars generated annually. Tax revenues can be estimated at tens of millions of dollars for both state government and local governments and municipalities.

It will continue to be very important to aggressively market Region 4 to sustain the present economical benefits as well as foster growth. Many opportunities exist that can be inferred by the data presented. For example, group sizes for business and pleasure trips were reported as one and two persons, respectively. This shows there is opportunity to attract larger groups and families to the area. Business conventions are an area that can be further developed, requiring cooperation locally among hotels and motels. Improved signage on Interstate 84

could inform travelers of the many attractions of the area. Employees of local tourism-related business could be educated about the attractions in their region so they could refer customers to other tourism-related attractions and businesses. For example, museum workers could refer customers to a local state park or national monument. Eating or drinking establishments could educate employees about local attractions. It is also important that employees maintain a positive attitude about their area, and that can be accomplished through training. Areas of the region that are experiencing hard economic times, such as the Mini-Cassia area, could realize significant benefits from growth in tourism, which could generate dollars for the economy as well as new jobs. When informed local leaders realize the tremendous dollar impact tourism has, it might encourage them to make growth in tourism a community priority. Strong team building with businesses and travel agents could produce multi-faceted Region 4 tour packages. Recent surveys have shown that Idahoans rank first in the United States in taking advantage of outdoor recreation. The potential for growth in Region 4 is strong. Local residents could be persuaded to rediscover their own home territory. With a heightened worry about terrorism, Americans are considering vacations closer to home and travel that involves their own automobiles rather than flying. Region 4 is a motorist's treasure trove that is largely undiscovered. With local cooperation and teamwork, Region 4 could benefit economically from its own potential beyond anyone's wildest dreams.

See *REFERENCES* on the next page for further information about tourism in South Central Idaho.

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REFERENCES

For further information about attractions in South Central Idaho, see the following Idaho Department of Commerce Web Pages:

http://www.visitid.org/Regions/region_4.html
http://www.visitid.org/Regions/r4_about.html

http://www.idahoparks.org/parks/Box_canyon.html
<http://www.idahoparks.org/parks/bruneaudunes.html>
<http://www.idahoparks.org/parks/city-rocks.html>
<http://www.idahoparks.org/parks/walcott.html>
<http://www.idahoparks.org/parks/niagarasprings.html>
<http://www.idahoparks.org/parks/threeisland.html>

For further information about parks to visit in South Central Idaho, see the following Idaho Parks and Recreation Web Pages :

FYI Table 8 (below) provides specific wage and employer information regarding South Central Idaho by business sector.

FYI Table 8: Average Employment, Average Tax Rate, Average Wage, Employer Count, Employers, Employment Growth for South Central Idaho, 2001-2002							
Region/County	Business Sector	Average Employment		Average Tax Rate		Average Wage	
		2001	2002	2001	2002	2001	2002
South Central	71 - Arts, Entertainment, and Recreation	805	867	1.3	1.3	25,682	21,435
South Central	711 Performing Arts, Spectator Sports, and Related Industries	96	110	1.1	1.1	128,356	104,693
South Central	712 Museums, Historical Sites, and Similar Institutions	29	26	0.5	0.3	18,461	12,398
South Central	713 Amusement, Gambling, and Recreation Industries	681	731	1.5	1.5	11,586	9,284
South Central	72 - Accommodation and Food Services	6,493	6,587	1.1	1.1	11,258	8,526
South Central	721 Accommodation	1,707	1,637	1.0	0.9	15,823	12,200
South Central	722 Food Services and Drinking Places	4,786	4,949	1.1	1.1	9,630	7,311

FYI Table 8: Average Employment, Average Tax Rate, Average Wage, Employer Count, Employers, Employment Growth for South Central Idaho, 2001-2002 (cont.)							
Region/County	Business Sector	Employer Count		Employers		Employment Growth	
		2001	2002	2001	2002	2001	2002
South Central	71 - Arts, Entertainment, and Recreation	1,323	1,002	110	111	5	8
South Central	711 Performing Arts, Spectator Sports, and Related Industries	345	264	29	29	1	15
South Central	712 Museums, Historical Sites, and Similar Institutions	93	81	8	9	39	-8
South Central	713 Amusement, Gambling, and Recreation Industries	885	657	74	73	4	7
South Central	72 - Accommodation and Food Services	4,812	3,612	401	401		1
South Central	721 Accommodation	657	459	55	51	-2	-4
South Central	722 Food Services and Drinking Places	4,155	3,153	346	350	1	3

Panhandle News — (continued from page 8)

annexing the space occupied by the Bon Marché boutique until it closed in January. The boutique, which employed 10 people, became redundant after the Bon opened a 38,000-square-foot store last fall at the Silver Lake Mall in Coeur d'Alene. (On August 1, the Bon is changing its name to The Bon Macy's to benefit from the national reputation of the Macy's chain. Both store chains are owned by Federated Department Stores.) The Zoo's annex allowed it to open a wine cellar and a confectionery, as well as increase its inventory of gift items and home accessories.

- Coeur d'Alene recently welcomed these new businesses: Preferred Technologies, a seven-year-old company that moved from Oregon to 701 North Fourth Street, where its four employees sell tools and equipment to television cable companies throughout North America; PC Game Warz, offering 28 networked com-

puters for playing games, at the Sunset Mall in Coeur d'Alene; O'Shay's Irish Pub & Eatery in the former Quigley's spot at 313 Lake Coeur d'Alene Drive; Sweatpea Home Interiors, selling home furnishings and accessories at 404 Sherman Avenue; Accessories by Gosh, selling women's footwear, jewelry, belts, and handbags, in the Coeur d'Alene Resort Plaza Shoppes; Tag's Produce, selling fruits, vegetables, and bedding plants, at Government Way and Haycraft Avenue; and The Proverbial Cup, selling coffee, books, gifts, and work by local artists at 1705 Northwest Boulevard.

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Ask the Economist

TOTAL EMPLOYMENT & NONFARM PAYROLL JOBS: HOW DO THEY DIFFER?

This column addresses common questions that our readers have on the data we gather and provide. Please send your questions, comments, or suggestions via e-mail to lni@jobservice.us or U.S. Postal Service mail to Public Affairs, Idaho Department of Labor, 317 W. Main St., Boise, ID 83735.

Total Employment and *Nonfarm Payroll Jobs* are two terms used frequently throughout the analysis in this newsletter and in much of the other material published by the Idaho Department of Labor (several terms are defined in the Glossary on page 28), yet in discussions with a variety of people, it seems that the difference between *Total Employment* and *Nonfarm Payroll Jobs* remains unclear and causes confusion among data users. So this month's question for *Ask the Economist* is the reprisal of a former question: *What is the difference between Total Employment and Nonfarm Payroll Jobs?* Part of the confusion may occur because, during the last year, estimates of *Total Employment* and the count of *Nonfarm Payroll Jobs* have gone in different directions. So it is again time to remind readers and other data users what is included in each of these economic measures.

Total Employment is a count of **people** who live in Idaho and are working. *Nonfarm Payroll Jobs* is a count of **jobs**. Basically, it is a head count of people on an active payroll. *Total Employment* is a one of two data elements used to generate Idaho's *Civilian Labor Force*. *Total Employment* is a count of nonmilitary **persons** living in Idaho, 16 years of age or older, working during the 12th day of month. A **person** can work for an employer, be self-employed, or work in a family enterprise as a non-paid worker. A **person** is counted only once even though he/she might hold more than one job, but the **person** must reside in Idaho. Table 1 shows Idaho's *Civilian Labor Force* numbers for May 2003. Note that *Total Employment* (the number of **people** living and working in Idaho—656,300) added to *Unemployment* (the number of **people** who do not have a job, have actively looked for work in the prior four weeks, and are available to work—35,900) totals the *Civilian Labor Force* number—692,200 **people**.

Table 1: Idaho Labor Force Numbers, May 2003

IDAHO LABOR FORCE ⁽¹⁾	
<i>Seasonally Adjusted</i>	
Civilian Labor Force	692,200
Unemployment	35,900
Percent of Labor Force Unemployed	5.2
Total Employment	656,300

Another important economic indicator is *Nonfarm Payroll Jobs*, which is a count of **jobs**. Approximately 3,900 Idaho employers participate in a monthly survey in which they provide employment and wage information to the Idaho Department of Labor (IDOL). The same information is provided quarterly by all employers who are covered by Idaho's unemployment insurance law to the IDOL. But how does this count differ from *Total Employment* if both numbers count people who are working? The data employers provide to the Idaho Department of Labor is a count of the number of people they had working for them during the 12th day of the month regardless of whether they work for another employer or even live in Idaho. What the data tells us is how many **jobs**, not **people**, existed during the month. There is not an unemployment rate in this data series.

The following is an example of the difference in *Total Employment* and *Nonfarm Payroll Jobs*: Howard lives in Emmett (Gem County). He works for the XYZ machinery in Boise (Ada County). Howard also works for Amy's Gas 'n Go on weekends in Emmett. Because Howard lives in Emmett, he is counted in *Total Employment* only once in Gem County. But because Howard works at two jobs, one in Boise and one in Emmett, he is counted in *Nonfarm Payroll Jobs* twice—once in the *Manufacturing* sector in Ada County and once in the *Retail Trade* sector in Gem County.

When the unemployment rate is released each month, the *Total Employment* number, which is a part of Idaho's *Civilian Labor Force*, is also pre-

sented. It is a count of **people** working either full-time or part-time, regardless of industry. Often the IDOL's monthly news release or other articles will discuss employment (**jobs**) within various industrial groups. This discussion refers to the count of Idaho's *Nonfarm Payroll Jobs*, which is a count of **jobs**. This data is used to explain why the labor force numbers have changed.

The data used to develop both series—*Total Employment* and *Nonfarm Payroll Jobs*—are collected for the week that includes the 12th day of the month. The U.S. Bureau of Labor Statistics (BLS) provides guidelines and the methodology for both surveys, used by all states, which allows for state-to-state comparisons.

The following factors could have an impact on *Total Employment*:

- » Changes in population growth;
- » Changes in the number of workers per household;
- » Changes in industrial segments not easily measured, i.e., self-employed, private households, agriculture workers, etc.;
- » Changes in seasonal patterns;
- » Changes in the status of the households in the Current Population Survey (CPS) sample. [The CPS is a monthly survey of households conducted by the U.S. Bureau of Census for the BLS. It provides a comprehensive body of data on the labor force, employment, unemployment, and persons not in the labor force.]

If *Total Employment* (number of **people**) has declined, shouldn't that also be the case for nonfarm employment (number of **jobs**)? Not necessarily.

The following factors could have an impact on the number of *Nonfarm Payroll Jobs*:

- » When jobs are filled by out-of-state workers, thereby not increasing Idaho's labor force total employment statistics;
- » When jobs are filled by multiple jobholders, thereby not increasing Idaho's labor force *Total Employment* statistics;
- » When jobs are filled by persons who are 14 and 15 years of age, thereby not included in the labor force statistics.

Because of the differences in employment measures, concepts, and methodology, *Total Employment* and the number of *Nonfarm Payroll Jobs* are not comparable. The two employment series can move in opposite directions and still be correct. This has occurred several times in 2002. Even when the two employment series move in the same direction, the magnitude is not always the same.

Given the differences in these employment measures, which should be considered the most important? It depends upon your primary interest.

The labor force statistics, which include *Total Employment*, provide a comparable measure of an area's general economic well being. The unemployment rate is a single statistic that can be compared state-to-nation, state-to-state, and county-to-county. Even though puzzling month-to-month changes can occur, long-term trends in labor force statistics point to how the economy is faring over time.

Nonfarm Payroll Jobs statistics show the industrial structure of an area's economy and how the industries compare from month-to-month and year-to-year. Individual industry employment changes can be compared to changes in the total number of *Nonfarm Payroll Jobs*, changes in large industrial groupings, and changes in the industry from one area to another.

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Glossary of Labor Market Terms

Agriculture Employment: Persons on agriculture payrolls who work or receive pay for any period during the survey week. This includes owners, operators, unpaid family members who work at least 15 hours a week, and hired laborers.

Average Hourly Earnings/Average Weekly Hours: The average total money earnings earned by production or non-supervisory workers for selected industries. The average number of hours worked by production or non-supervisory workers including overtime, paid vacation, and sick leave. The data is collected for the week including the 12th of the month.

Average Weekly Earnings: Average Hourly Earnings multiplied by Average Weekly Hours.

Civilian Labor Force: A count of non-institutional persons 16 years of age and over residing within a specific geographic area, excluding members of armed forces, who are classified as employed, unemployed and seeking employment, or involved in a labor dispute.

Consumer Price Index (CPI): A national index measuring changes over time in the price of a fixed market basket of goods and services. There are two indexes—the All Urban Consumers (CPI-U) represents the buying habits of about 80 percent of the non-institutional population of the United States, and the Urban Wage & Clerical Workers (CPI-W) represents 40 percent of the population.

Covered Employers: Employers who are subject to state and federal Unemployment Insurance laws.

Durable Goods: Also known as “hard goods” because they include items manufactured or provided by wholesalers with a normal life expectancy of three years or more.

Employed: Individuals, 16 years of age or older, who worked at least 1 hour for pay or profit or worked at least 15 unpaid hours in a family business during the week including the 12th day of the month. Individuals are also counted as employed if they had a job but did not work because they were: ill, on vacation, in a labor dispute, prevented from working because of bad weather, or temporarily absent for similar reasons.

Initial Claim: Any notice of unemployment filed to request (1) a determination of entitlement to and eligibility for compensation or (2) a second or subsequent period of unemployment within a benefit year or period of eligibility.

Labor Market Area (LMA): An area that consists of a central city or cities and the surrounding territory within commuting distance. It is an economically integrated geographic area within which individuals can reside and find employment without changing place of residence. Idaho has nine LMAs.

Metropolitan Statistical Area (MSA): An area that has either a city with a population of at least 50,000 or a Bureau of Census urbanized area of at least 50,000 and a

total metropolitan area of at least 100,000. The Office of Management and Budget designates the MSAs. There are five MSAs in Idaho—Boise City-Nampa MSA (including Ada and Canyon Counties), Coeur d'Alene MSA (Kootenai County), Idaho Falls MSA (Jefferson and Bonneville Counties), Lewiston MSA (Nez Perce County in Idaho and Asotin County in Washington), Logan MSA (Franklin County and the Logan, Utah, Metro Area), and Pocatello City (Bannock County).

Nonfarm Wage & Salary Employment: Persons on nonfarm establishment payrolls (including employees on paid sick leave, paid holiday, or paid vacation) who work or receive pay for any part of the week including the 12th of the month. It is a count of jobs by place of work. It does not include self-employed, unpaid volunteer or family workers, domestic workers in households, military personnel and persons who are laid off, on leave without pay, or on strike for the entire reference period.

Nondurable Goods: Also known as “soft goods” because they include items manufactured or provided by wholesalers that generally last for only a short period of time (three years or less).

Seasonally Adjusted: Data is seasonally adjusted to remove the impact of regular events that occur at the same time every year such as the effect of cold weather on outdoor activities, the Christmas holiday, or the summer influx of youth into the labor market.

Unemployed: Those individuals, 16 years of age or older, who do not have a job but are available for work and actively seeking work during the week including the 12th of the month. The only exceptions to these criteria are individuals who are waiting to be recalled from a layoff and individuals waiting to report to a new job within 30 days—these, too, are considered unemployed.

Unemployment Insurance: Unemployment Insurance is a program for the accumulation of funds paid by employers, to be used for the payment of Unemployment Insurance to workers during periods of unemployment which are beyond their control.

Unemployment Rate: The number of persons unemployed expressed as a percentage of the labor force.

Weekly Benefit Amount: The amount payable to a claimant for a compensable week of total unemployment.

Weeks Claimed: The number of weeks that unemployed workers claimed Unemployment Insurance benefits.

Weeks Compensated: The number of weeks for which compensation was actually paid.